

# How to Save the World Management of the Banking System?

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Received: May 14, 2020

Accepted: July 13, 2020

Available online: July 22, 2020

doi:10.11114/aef.v7i5.4852

URL: <https://doi.org/10.11114/aef.v7i5.4852>

## Abstract

The unprecedented subprime crisis, the deregulation of the market, bank credit and payment mechanisms have facilitated the spread of the risk to the whole of economy. This study examines the issue of the processes set up to save the management of the global banking system. To achieve our goal, we conducted a survey of the various techniques used by banks to prevent global financial crises. At the end of our study, we found that the banks while opting for different policies play the same role and are increasingly hard to avoid risk.

**Keywords:** save, management, system, banking, global

## 1. Introduction

### 1.1 The Context, Relevance and Justification of the Subject

Banks are the engine of modern economies. They are subject to a number of turbulent as evidenced by the proliferation of bank failures. Indeed, the subprime crisis in the US has weakened the global banking and economic systems. What has especially created a snow ball effect that precipitated the economic crisis. Loans declined sharply and the banks had to seek new investors to bail out their banks. Meanwhile, they face the development of regulations to limit the risk of failure of the banking system.

To better understand these regulations, we chose the following topic: How to save the management of the global banking system?

#### 1.1.1 The Principal Objective

Our study's main objective is to identify failures of the global banking system and determine thereafter, the various regulatory policies in place to limit the risks.

#### 1.1.2 Specific Objectives

Specifically, we will:

- 1) To understand the functioning of the banking system;
- 2) Identify problems affecting the system;
- 3) Identify processes to save the management of the banking system.

#### 1.1.3 The Hypotheses

As research hypotheses, we have:

- 1) Financial crises weaken the banking system;
- 2) Banks are constantly gaining market share while ignoring the risks;
- 3) The principles in force within banks are not respected.

#### 1.1.4 The Problem

Faced with system problems, global banks must take measures to achieve a level of excellence in their operations. Thus, we ask the question: What are the managerial techniques in place to save the global banking system?

### 1.1.5 Methodology

Our article is both quantitative and qualitative.

Hence, the institutional analysis focuses on existing institutions such as banks or regulatory authorities. However, these evolve over time, merge or disappear in favor of others, while their functions, even in permanent evolution, are more durable. Financial markets and systems have indeed evolved over the past twenty years in response to macroeconomic transformations and financial and technological innovations. Economic agents have sought more from these markets as issuers and investors, leading to a considerable increase in the volumes traded. The financial intermediaries and their supervisory authorities have therefore followed the same developments.

**A functional approach.** On the strength of this observation, some authors approach the financial system in terms of functional finance. This approach is based on two principles: functions are more stable than institutions and the institutional form adapts to the function. Innovation and competition bring greater efficiency in the performance of the functions of a financial system (transfer of resources, risk management, clearing and settlement, pooling of resources and distribution of corporate capital, management of price information, management of problems related to information asymmetries).

The transfer of resources in time and space is the responsibility of the markets in the strict sense. Risk management is mainly concerned with the sharing of these risks. The pooling of resources, or pooling, concerns the resources of households which should systematically turn to companies in terms of the means of financing offered to them by the capital markets. The management of price information must be efficient in order to facilitate investors' decision-making for their portfolio management. The management of problems relating to information asymmetries belongs to any market which wants to preserve the principles of total transparency and fairness for its investors (any potential investor is supposed to have all the information relating to the functioning of the market and of the securities it offers). Conversely, an opaque market is bound to fall into disuse. Finally, the settlement of transactions facilitates trade, but the mechanisms must be designed to take into account the costs and risks associated with these transactions.

A financial system must be based on an efficient money market. If the efficiency of a market is approached by risk minimization, the ultimate risk seems to be systemic risk. Indeed, among the fundamental risks affecting the capital markets in general (credit or counterparty, market, regulation, operational, legal and systemic), systemic risk is the most serious of consequences for the real economy. It turns out when an operator is no longer able to honor its commitments, causing chain failures, and de facto putting all the others in difficulty. A contagion effect in the banking system can affect solvent establishments, then the financial system and the entire economy

**Spread of risk.** The possibility of such a risk can arise both from the interbank system and from the financial, money, derivatives or foreign exchange markets. A shock in a financial system can spill over to other systems, because these systems form a complex chain of interdependent flows.

Furthermore, the risks of illiquidity and even insolvency are not limited to the financial sphere alone, they can be borne by the entire economic system. The risk is therefore neither individualizable nor diversifiable. The phenomenon of financial globalization has the effect of globalizing systemic risk through technological and regulatory transformations and the internationalization of the financial sphere. Financial mechanisms are an integral part of an open system, subject to and nurtured by the real economy, therefore with relative autonomy. However, if the globalization phenomenon brings efficiency (minimized costs and speed of dissemination of increasingly clear information), it complicates procedures and sometimes makes products more opaque, such as securitization vehicles.

According to Lespèsle, the system risk arises from three potential dysfunctions: market disruption with fluctuations in the price of assets unrelated to their fundamental value, bank credit disruption with over-indebtedness or credit collapse, then disruption of payment mechanisms or interbank transactions. The risk then becomes systemic by propagating thanks to the multiple interrelations constituting globalization.

More particularly, interbank regulations form an area where system risk can almost immediately cause widespread economic and financial disorders; for Michel Aglietta, the intensification and integration of financial transactions generate risks of very high amounts, both in terms of credit and pure liquidity. Structural changes in the financial system have affected the nature and channels of transmission of systemic risk. They have reinforced the importance of payment mechanisms with the explosion of volumes processed, increased market risks with the rapid development of the cash and derivatives markets, accelerated the rate of propagation of disturbances, underlined the vital role of the supply of liquidity in financial activity, and made institutions and products more opaque. Because financial centers are interconnected, there can be geographic contagion; because capital markets are interdependent, there can be vertical contagion.

**At the source of contagion.** The fragility of a financial system can come from the structure of the banking system, from the intensity and credibility of information relating to financial contracts, and, finally, from the interconnection of

financial intermediaries through their own exposure to risk, and settlement systems, according to Bandt and Hartmann; because there is a complex network of exposure of banks via the interbank market (a default by one can have immediate consequences on the ability of others to settle their obligations). As early as 1996, Rochet and Tirole considered the interbank market as the main element in the spread of systemic risk.

In any event, the risks attached to the different systems vary according to the type of transactions processed: interbank payments generate intraday credit risks; Foreign exchange transactions and securities settlement transactions involve an exchange of securities, which will create credit risks, at least in the short term. These different risks are therefore the result of different management techniques depending on the market. In large payment systems, the risk hedging technique consists of capping and collateralisation of transactions. In foreign exchange markets, netting and payment-for-payment techniques are used. In securities settlement systems, the principle of delivery against payment within a short time is retained,

## 2. Literature Review

The banking system can be defined as: "a hierarchical set of organizations independently performing the function of financial intermediation and which are characterized by the power of monetary creation" (Fouda, 2005) and this, on a global scale. This system works with the help of the regulatory, supervisory and representation bodies of the profession. It intervenes directly or indirectly in the process of creation or circulation of money and savings. It differs from one country to another but with the same perspective which is the growth of the economy of the countries.

The role of the system in economic activity can be variously understood. However, its contribution to the level of economic growth and hence the development of a country has been the subject of particular attention. Indeed, this system is used as:

### ➤ *A means of payment*

This system is a mechanism for settling transactions to the extent that it constitutes an essential means of exchange for the proper functioning of an economy based in particular on the specialization of tasks.

### ➤ *A savings aggregation system*

The need for aggregation of savings takes shape when there is a need expressed by companies in order to operate in a size that minimizes their transaction costs. Therefore, the aggregation of savings can be seen as a very important function of the banking system.

Furthermore, Danielson and Al (2009) state that this aggregation benefits both suppliers and users of capital.

### ➤ *A resource transfer process*

This function allows households to compensate for their differences in income in terms of their consumption. Businesses benefit when they need financing.

### ➤ *A risk management system*

It helps manage the risks faced by banks through procedures and rules applied by these financial institutions.

In short, the banking system has attributes to exploit properly.

The European Banking Authority must ensure a high degree of consistency in supervisory rules and practices. Considerable transnational disparities persist in the legal and regulatory fields and can prove detrimental to the uniformity of rules in the European banking sector. The discretionary power of national authorities is indeed preserved by the specifics of the transposition of directives into national law. There are almost a hundred for the Capital Adequacy Directive (Kager, 2006). The practice of adding additional national requirements to what is prescribed by EU directives ("regulatory escalation") adds to the problems. Many technical rules are thus determined at national level. This creates risks of arbitration and competition between regulations. The supervisory authorities of the country of origin of the various transnational groups may have different points of view on the major issues of banking supervision, which leads to different results with regard to directly competitive groups. Improving surveillance therefore requires:

- Harmonization through the elimination of options and regulatory overbidding. The EBA will publish directly applicable binding technical standards. The scope of its prerogatives must cover a sufficiently broad set of rules so as to come close to a single regulation. In the future, new problems must be immediately resolved at EU level in order to prevent the introduction of new disparities. The new regulations must be more precise and leave less margin of appreciation to the national supervisory authorities.
- Strong and transparent decision-making procedures are needed at EBA level to be able to move quickly towards single regulation. Qualified majority voting will be used for decisions on technical standards and guidelines. All other decisions will be made by simple majority. The process by which the European Commission must approve

the mandatory technical standards proposed by the EBA (and which in some cases provides for countries and the European Parliament to raise objections) should be applied in order to avoid undue delays.

- The EBA will be empowered to investigate any alleged incorrect or insufficient application of European law by the national supervisory authorities, the investigation being followed by a recommendation. In the event of non-compliance, the European Commission would have the power to formulate the formal opinion demanding to take the necessary measures and, ultimately and in exceptional circumstances, the EBA would be empowered to adopt decisions directly addressed to financial institutions.

The EBA will have binding mediation powers to settle any differences of interest between the supervisory authorities of the sending and receiving countries. When a national institution develops abroad through branches, the supervisor of the country of origin may tend to underestimate the corresponding risks for the host countries, as dramatically illustrated expansion of Icelandic banks. These risks are linked to agency problems that arise when the country of origin controls branches and the host country is responsible for system stability, all in a context of information asymmetry. (Hoeller and Rae, 2007). However, host countries have few means of challenging the decisions and initiatives of the supervisory authorities in the country of origin. In particular, the peer review process developed within the framework of third level committees has proven to be ineffective (Groupe de Larosi ère, 2009). Likewise, the supervisory authorities in the country of origin lacked effective means to challenge the decisions of the supervisory authorities in the host country, in particular with a view to protecting the stability of transnational banking groups. In particular, the European Committee of Banking Supervisors did not have sufficient powers to intervene in the settlement of disputes. These dispute resolution powers will be vested in the EBA. Following a conciliation phase, the EBA would be empowered to take binding decisions and to require the national supervisory authority to take specific measures and, in the event of non-compliance with these provisions, to adopt decisions addressed to the financial institutions concerned. Controlled institutions should have a direct right of appeal to the EBA and a much more robust peer review process should be put in place to ensure consistency in supervisory decisions.

The main mission of the EBA will be to strengthen the supervision and coordination of the colleges and to formulate precise guidelines for their functioning. Even though these colleges have started to make a positive contribution to improving cooperation in the exchange of information between national supervisory authorities, their role before the crisis has remained limited. In the case of large transnational banks, these colleges have only been compulsory since December 2009, a college of supervisors should be set up for each transnational banking group by the end of 2010. It will be difficult to ensure consistency between colleges, given their large number: there are currently more than 120 (Groupe de Larosi ère, 2009). To meet these challenges:

- The EBA will have the power to collect and share all relevant information in collaboration with the competent national authorities and with the national colleges; launch and coordinate EU-wide financial stress tests; promote effective and efficient surveillance activities; to supervise the tasks carried out by the competent authorities; to require new deliberations on the part of a college; to require that the control college on a consolidated basis organize a meeting of the college or add an item to the agenda of this meeting; to draw up draft regulatory standards and operational technical standards to ensure uniform conditions of application concerning the provisions relating to the practical operation of the colleges of control;
- Practical arrangements should be made for the proper functioning of the colleges which oversee global financial groups and which sometimes have more than one hundred national representatives. In practice, it would be logical to assemble more frequently the hard core of a college, whose plenary meetings would be more rare. Another problem will be to organize the interactions of "European" colleges with "global" colleges and avoid having two separate colleges for the same bank. To ensure the proper functioning of this system, the EBA will need very substantial resources if it is to have a significant impact on the discussions within these colleges.

In monitoring, errors can have considerable budgetary costs. Indeed, it has proven extremely difficult to develop a more comprehensive reform of supervisory structures in Europe, reflecting the principle that the responsibility for financial stability must match the organization of budgetary powers (Goodhart, 2004; Goodhart and Schoenmaker, 2006). In the absence of European budgetary authorities, it is therefore very difficult to set up a powerful supervisory authority at European level. This problem was reflected in the budgetary protection clauses which mean that the powers of the EBA must "in no case encroach on the budgetary responsibilities of the Member States". In order for EBA to be truly effective, budgetary safeguard clauses should be limited to cases in which the impact on national budgetary obligations is direct and significant. The burden-sharing problems constitute a major obstacle which blocks any agreement in the direction of direct control of the large transnational banks by the EBA. In view of these constraints, the powers of the EBA must evolve gradually, and a review of the new monitoring system is planned after a maximum of three years in order to determine whether further measures for further integration are necessary. and whether a single supervisory authority would be more appropriate for this purpose. The burden-sharing problems constitute a major obstacle which blocks any

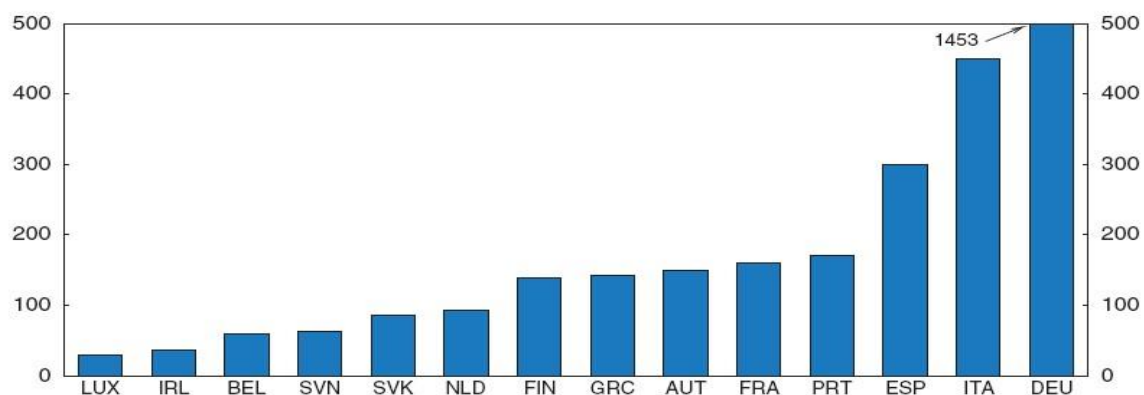
agreement in the direction of direct control of the large transnational banks by the EBA. In view of these constraints, the powers of the EBA must evolve gradually, and a review of the new monitoring system is planned after a maximum of three years in order to determine whether further measures for further integration are necessary. and whether a single supervisory authority would be more appropriate for this purpose. The burden-sharing problems constitute a major obstacle which blocks any agreement in the direction of direct control of the large transnational banks by the EBA. In view of these constraints, the powers of the EBA must evolve gradually, and a review of the new monitoring system is planned after a maximum of three years in order to determine whether further measures for further integration are necessary. and whether a single supervisory authority would be more appropriate for this purpose.

In Europe, the tasks of the national supervisory authorities differ considerably, both in terms of their scope and the enforcement powers available to them. This complicates cooperation, especially in situations of financial stress, and it increases the risk of arbitration between regulations:

- The institutional strengthening of the supervisory authorities of certain countries should be carried out. Both European and national institutions must have clear mandates and sufficient independence to make politically unpopular decisions (Rochet, 2008). More specifically, sectoral competitiveness objectives and public action objectives (such as housing measures) should not prejudice national decision-making.
- The EBA will organize and periodically conduct peer reviews of all or part of the activities of the competent authorities, in order to further strengthen the consistency of monitoring results, by establishing uniform procedures and homogeneous approaches throughout the 'EU. To this end, the EBA will develop methods to guarantee the objectivity of the assessments and comparisons between the authorities examined.
- The EBA will play an active role in establishing a common and integrated European culture of surveillance. Peer reviews will assess the adequacy of resources and the governance regime of the competent authorities. The EBA will actively work to set up sectoral and cross-cutting training programs, by facilitating staff exchanges and by encouraging the competent authorities to make greater use of secondment programs and other instruments.

EBA must acquire strong credibility. The experience of apex audit institutions in other OECD countries is quite disappointing. In the United States, for example, the Federal Financial Institutions Examination Council (FFIEC) has failed to acquire a sufficiently solid position vis-à-vis the various supervisory authorities. As national supervisors in Europe are large institutions with a long tradition, they may be reluctant to give up some of their prerogatives in favor of European authorities. The EBA must have sufficient resources to ensure harmonization, to guarantee the effectiveness of peer reviews and to settle disputes. The European Commission should periodically check whether the resources thus allocated are suitable.

### Graphic



The ineffective exchange of information often reflects a lack of mutual trust linked to conflicting interests. More specifically, the exchange of information on problems in one jurisdiction may lead to immediate cantonment measures in other jurisdictions. As a result, during the run-up to the financial crisis and the early stages of the financial crisis, national supervisors were unwilling to speak out about weaknesses in their financial sector. However, there are several other obstacles to an optimal exchange of information:

- Certain national legal regimes can complicate an open examination of problems of transnational control due to commercial or banking secrecy laws. These laws should be systematically reviewed and amended accordingly.
- The exchange of information is complicated by the lack of harmonization of the definition of essential concepts of control at EU level, for example in the case of non-performing loans. Harmonization would allow a real transnational dialogue, exploitation, comparison and aggregation of data as well as an analysis of systemic risk

on a European scale. This would further reduce the costs of reporting. This harmonization process has started under the auspices of the Commission.

- The organization of surveillance is very complex and the multiplicity of reporting circuits in the different supervisory authorities of the sending and receiving countries can lead to information mismatches and duplication of tasks in this area. field. The ABE is now required to centralize the information received from the competent authorities concerning establishments operating in several countries, and to share this information with the other competent authorities concerned. The creation of an EU-wide banking supervision database would ensure quasi-automatic transnational access to supervision data. If necessary, the banks could directly feed this database.
- The exchange of qualitative information is difficult due to the lack of intense and frequent operational contacts. The driving role of the EBA in improving the functioning of the supervisory colleges is essential in this respect.

Removing obstacles to the flow of information is essential not only to improve transnational control, but also to increase the quality of control more generally. For example, several dominant banks in their national market have no equivalent in their country, while it is often not possible to compare them to similar institutions abroad due to the lack of real information exchange. It is essential that the new European bodies have full access to all of the national information on control.

There are strong arguments for strengthening market discipline through transparency and the disclosure of control information (the third pillar of the Basel Accord). Better disclosure was indeed an important part of the institutional response to the banking crisis in Japan in the 1990s, and European countries lag behind global trends. One of the major obstacles is the lack of harmonization of confidentiality rules in Europe. More fundamentally, there is a reluctance on the part of the national supervisory authorities to place the institutions under their jurisdiction at a disadvantage vis-à-vis competition. The EBA will have to resolve this coordination problem.

- In our historical analysis of systemic risk, we show that: In 1994, the Bank for International Settlements defined it as "the risk that the failure of one participant to honor its contractual obligations would cause other participants to fail to pay, and so on, to the point of creating a reaction. chain, the consequence of which would be large-scale financial instability".
- In 1995, Kaufman defined systemic risk as "the probability that losses will accumulate following a triggering event setting in motion a series of successive losses along a chain of institutions or markets. In other words, it is the risk of a chain reaction, such as a fall of interconnected dominoes".
- In 2001, definition by the Board of Governors of the United States Federal Reserve: "In a payment system, a systemic risk can occur if an institution, participating in a large-scale private payments network, is unable to settle its net debt. If such a default occurs, the creditors of the defaulting institution may also be unable to meet their commitments. Consequently, serious repercussions could spread to other participants in the network, as well as to other deposit-taking institutions and to the non-financial economy in general".
- Following the financial crisis of 2007-2008, SL Schwarcz defines systemic risk as "the risk that an economic shock such as the failure of a market or an institution could lead to chain defects on the part of markets or institutions, a chain of substantial losses from financial institutions, which would cause inflation in the price of capital or decrease its availability.
- Nowadays, systemic risk is generally defined as "the possibility that an event at the level of a company could cause severe instability, or even the collapse of an entire industry or economy." "

Although systemic risk has been used in the literature on financial systems for many years, we note that the definitions have evolved over time and that they differ from one author to another, according to their conception. We can therefore say that it is a concept that has not yet been fully authenticated. There is, however, a common factor that generally comes up in the various definitions. This common element is the fact that a trigger can cause a chain reaction similar to a fall of dominoes whose consequences could be devastating in the financial sector. There is also a distinction between definitions going up to 1995 and those of the 21st century. Indeed.

### 3. The Global Banking System

The banking system can be defined as: "a hierarchy of organizations providing independent financial intermediation function and are characterized by money creation power" (Fouda, 2005) and at the global level. This system works with the help of regulators, control and professional representation. It operates directly or indirectly to the process of creation or circulation of money and savings. It differs from one country to another but with the same perspective, which is the growth of the economy of the country.

The role of the system in economic activity may be variously apprehended. However, its contribution to the level of economic growth and therefore the development of a country was the subject of particular attention. Indeed, this system is used as:

### *3.1 An Average Settlement*

This system is a trade settlement mechanism since it is an essential means of exchange for the proper functioning of an economy based notably on the specialization of tasks.

### *3.2 An Aggregation System of Savings*

The need for aggregation of savings takes form when there is a need expressed by companies in order to operate in a size that minimizes transaction costs. Therefore, we can consider the aggregation of savings as a very important function of the banking system.

Furthermore, Danielson et al (2009) argue that this aggregation benefits both providers as users of capital.

### *3.3 A Resource Transfer Process*

This function enables households to offset income differences as to their consumption. Companies will benefit when they have a need for funding.

### *3.4 A Risk Management System*

It allows to manage the risks faced by banks by processes and rules applied by these financial institutions.

In short, the banking system has attributes to operate properly.

## **4. Analysis and Discussion of the Result**

An investigation has not been made. We will base ourselves on the financial crises that the world has encountered such as the subprime crisis.

The subprime crisis affected the subprime mortgage sector in the United States in 2007.

It began with the rise in the Federal Reserve's key interest rates from 2005. In addition, from 2007, property prices fell. This caused numerous bankruptcies among the credit organizations that had issued subprime mortgages and also among the investment funds that speculated on these same subprime mortgages.

Finally, this crisis spread to the rest of the world as a result of contagion, to all economic players due to securitization.

This led to mistrust of securitized claims including part of the credits.

Among the various players in the 2008 financial crisis, it was the banks, and more particularly the largest American banking institutions, which were the most criticized. Beyond the role they played in securitization in the years prior to this crisis, these are some of the actions operated in the heart of the crisis by these banks that have sparked the most debate about their lack of ethical dimension:

At first, many specialists believe that the "too big to fail" theory played an important role in the activities carried out by the banks. This state rescue guarantee tends to encourage these institutions to take risks that they would not normally take, either in terms of their investments or their capitalization. The 2008 crisis illustrated this theory perfectly, since it highlighted enormous exposures to certain derivative products, as well as a manifest under-capitalization on the part of several of the largest investment banks in the United States.

Second, the difficulties, even bankruptcies, experienced by the major American investment banks during the crisis did not prevent their leaders from taking huge sums of money, thus angering many taxpayers who did not understand why they would have to pay through the state to save these banks whose leaders were receiving staggering dividends. Take the example of Merrill Lynch who narrowly avoided bankruptcy during the crisis: its CEO Stan O'Neil received \$ 90 million in 2006 and 2007. When his bank experienced enormous financial difficulties, he was authorized to resign by cashing in at the same time, \$ 161 million. His successor John Thain also received 88 million in 2007. Finally, in December 2008,

Third, several banks were accused of intentionally selling low-quality CDOs. The case of Goldman Sachs also caused a lot of ink to flow: the bank was sued by the Mississippi pension fund which lost millions after having bought products qualified by the bank of very high quality. At the end of 2006, Goldman Sachs also took out insurance with AIG against the same CDOs it sold to its investors. Although the bank was sued by the SEC and found guilty of these immoral acts to say the least, the American State obliged AIG to reimburse the entire CDS contracted by Goldman Sachs, which brings us to our next point devoted to the share of responsibility of the political sphere in the crisis.

## 5. Recommendation

To limit the risk of facing a global financial crisis, it would be inappropriate to apply the characteristics of new organizations within banking teams:

Table 1: The characteristics of new organizations

<b>GENERAL ATTRIBUTES</b>
globalization
Extreme flexibility, adaptability
continuous improvement, innovation capacity
stakcholders Orientation
Tolerance for uncertainty
<b>STRUCTURAL FEATURES</b>
Flat structures decentralization, networking, self-organization
permeable boundaries: no internal boundaries, external fuzzy borders consistency between structure and working process
<b>DATA PROCESSING</b>
Integration of telecommunications technologies
electronic organization
<b>DESIGN WORK STATIONS</b>
Accountability of the leader and groups
continuous learning
Work cross-functional, team
<b>MANAGEMENT</b>
Leadership without control: less steering, evaluation, more communication, networking.
Trust

Source: Lewin and Stephen (1993)

## 6. Conclusion

Management within the banking system is important for the proper functioning of the economic and financial market.

The objective of our study was to identify the failures of the global banking system and to determine the regulatory procedures implemented to limit the risks.

It emerges from this analysis that management, although neglected plays a large role in the banking system in the sense that a policy of control and regulation of banking activity, qualified as "banking rigor" is beneficial for the growth of global banks and thus limits risk.

Financial development has also contributed to growth in sub-Saharan Africa and made it less volatile, but it is far below its reference level. To fully benefit from this development, in addition to preserving macroeconomic stability, it would be necessary to formulate and implement appropriate policies for the financial sector, aimed above all at strengthening institutions, promoting sound legal and regulatory frameworks and improving inclusion. financial. However, policymakers should be aware that this process takes time and that promoting financial development requires dexterity and rigorous management, especially in the context of financial liberalization, regional integration and adoption of technological innovations (Banks, mobile). Against the evolution of financial systems, it is necessary to adapt the rules and regulations to deal with new risks. The rapid growth of Pan-African banks requires strengthening international supervision and this on a consolidated basis, which should be achieved through closer collaboration between the supervisory authorities of the headquarters and host countries of these banks, and through interinstitutional cooperation within each country. Accelerating the harmonization of NS regulations and control procedures and reducing disparities in crisis management are two other issues that should be addressed quickly.

However, will the world's banks be ready to adopt these procedures while ignoring the costs that they may entail?



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