This article is a report of Spain’s progress in financial sector reforms. The key reforms in the financial sector have been either adopted or designed. The economy has risks at times as it takes up the challenges of correcting pre-crisis imbalances. The economy may face decline, but financial markets have significantly improved. Financing from banks is a major source of finance for households and firms. Exports contribute to the increasing economy in spite of global competition. The Executive Board welcomes this development of Spain's financial sector.

While previous reports have focused solely on the ‘big’ issues like capital account convertibility, bank privatization, and priority sector norms, A Hundred Small Steps: Report of the Committee on Financial Sector Reforms goes deep into other areas where reforms are less controversial, but perhaps as important. The report argues that we need a change in mindset for the financial sector, one that recognizes that efficiency, innovation, and value for money are as important for the poor as they are for our new Indian multinationals, and these will come from improved governance, new entry and competition. Indeed the Committee believes that the road to making Mumbai an international financial centre runs through every village in India. The report is divided into separate self-contained chapters; the underlying theme behind all the proposals is the need to enhance inclusion, growth, and stability by allowing players more freedom, even while strengthening the financial and regulatory infrastructure. The role of the government is to create an enabling environment by building sound financial infrastructure. The Committee has focused primarily on broad principles and directions, without entering too much into details of implementation. It emphasizes three important reasons for financial sector reform: to include more Indians in the growth process; to foster growth itself; and to improve financial stability, flexibility, and resilience and thus protect the economy against the kind of turbulence that is affecting the world today. The Committee recognizes this is a difficult time to propose financial sector reforms in India. The near meltdown of the US financial sector seems to be proof that markets and competition do not work. This is clearly the wrong lesson to take from the debacle. The right lesson is that markets and institutions do succumb occasionally to excesses, which is why regulators have to be vigilant. The report argues for skilled regulators who encourage growth and innovation even while working
Pakistan undertook major financial sector reforms starting in the late 1980s. The effects of these reforms on the profitability and cost and revenue efficiency of the banking sector are evaluated. The revenue performance of all banks, and especially the privatized banks, improved significantly, although costs also rose and relative performance across banks did not converge.

Financial Crises and the Limits of Bank Reform examines the responses that were implemented in France and Germany, two comparable European economies, in the aftermath of the global financial crisis from 2007/2008 with respect to the future economic role of the banks. While France pushed for greater independence from the banks by strengthening financial disintermediation and non-bank intermediation, Germany supported classic bank intermediation. Analysing the reasons for this puzzling difference, this book shows that the main lessons drawn from the crisis were the consequence of differing patterns of social learning, leading to changes in widely shared beliefs of specific aspects of banking. While these were related to the conditions of bank lending and the limits of bank intermediation in France, in Germany they were linked to the risks of financial innovation and financial sector concentration. The book draws on an in-depth analysis of French and German banking and financial sector reforms in the decades prior to the crisis, crisis management, and the responses implemented in the aftermath, featuring extensive interview data with over 70 professionals in addition to profound document and data analysis. It discusses alternative theoretical approaches and spells out the ontological foundations and behavioural implications of the social learning approach to policy change. Contrary to other accounts of the post-crisis reforms concentrating on regulatory change, the author focuses on how evolving financial practices and reform priorities mutually condition each other over time, forming distinctive developmental paths. As this book shows, it is only once we embed the reform options chosen in their specific institutional and socio-economic context that we fully understand the driving forces behind the post-crisis reforms.

This paper reviews and assesses the financial sector reforms in Algeria, Morocco and Tunisia. After a description of the financial sector before reforms, it explains the main features of the comprehensive reform process in each country. It also reviews the sequencing of reforms and discusses econometric evidence of the impact of the reforms on saving in each of the three countries. Subsequently, the paper sets out remaining issues to be addressed in the three countries, including a further strengthening of the banking system and development of financial instruments and markets.

During The Past Few Years There Has Been An Animated Debate On The Need For Second Generation Financial Reforms. It Is Recognized That Without A Broad Consensus There Would Be An Attenuating Of Reforms And, In This Context There Is A Need For A Much Wider Appreciation Of The Subject. The Present Volume Focuses On Banking Sector Reforms As Well As The Problems Of Non-Banking Financial Institutions And Also Deals In An Integrated Manner With Issues Relating To Monetary, Fiscal And External Sectors.

This study investigates the impact of financial sector reforms on interest rate spreads in the commercial banking system in Malawi. The financial reform program commenced in 1989 when both the Reserve Bank Act and the Banking Act were revised with the easing of entry requirements into the banking system, and indirect monetary policy instruments were subsequently introduced in 1990. The adoption of a floating exchange rate in 1994 marked the end of major policy reforms in the Malawian financial sector. Using alternative definitions of spreads, our analysis shows that spreads increased significantly following liberalization, and panel regression results suggest that the observed high spreads can be attributed to high monopoly power, high reserve requirements, high central bank discount rate and high inflation.

This paper examines financial sector reforms in eight developing countries—Argentina, Bulgaria, Ecuador, Egypt, India, Kenya, Tanzania, and Uganda—and derives general lessons from their experience. The paper reviews the initial situation of these countries; describes the financial sector (and related) reforms carried out, including
sequencing issues, and points out the unresolved questions; and examines the effects of reforms on monetary control and financial development, investment and growth and the efficiency of financial intermediation. The main recommendations are the need to persevere with macroeconomic stabilization through indirect monetary policy instruments, and the need to substantially strengthen prudential regulation and supervision and restructure and privatize or liquidate ailing financial institutions.

This book provides a review of the evolution of the post-independence banking system in Africa. There is a strong focus on the problems of restructuring of banking institutions and the management of the bad and non-performing assets of public sector institutions.

Economic analysis of the future of the international monetary system and the USD, and the rising importance of the RMB.

This paper reviews key areas of central banking reform in a sample of centrally planned economies undergoing transition to market-based systems. The discussion draws mainly on the experiences of four countries, Hungary, Poland, Czechoslovakia, and China. Significant efforts have been made, or are under consideration, in all countries to develop a more efficient framework for monetary management, and to provide greater autonomy to central banks in macro stabilization policies. These objectives call for a coordinated approach to strengthening a wide range of central banking functions simultaneously, and require that a core mass of supporting financial sector reforms be implemented to ensure effective transformation and stabilization with minimal transitional costs.

Countries in the Middle East and North Africa region have unprecedented opportunities for transforming their economies through accelerated economic growth, but the countries themselves must ensure the necessary conditions. This study, by the Middle Eastern Department, focuses on four areas that are fundamental to growth-enhancing structural changes: improving the region's investment performance, fiscal reform, financial sector reform, and trade liberalization.

Financial sector linkages have increased continuously in the Caribbean with cross border capital flows and financial conglomerates dominating the financial system. While the greater interconnectedness can heighten systemic risks and likelihood of contagion, it can have positive impacts provided the regional authorities take steps to prevent the systemic risk. In this context, financial sector reform measures aimed at bolstering and harmonizing prudential regulations in line with international best practices, the strengthening and enhancement of financial sector supervision to include cross border linkages through consolidated supervision, increased cooperation across supervisors in the region, and the establishment of deposit insurance and crisis resolution frameworks will be critical to maintain financial sector stability and minimize the repercussions of any negative shocks.

The report analyses Spain’s financial sector reform program and throws light on the role that the European Financial Stability Facility (EFSF) played in supporting the restructuring and recapitalization of its financial sector. It stated that the two major areas that have been looked at by IMF staff are the macrofinancial context and Spain’s progress in financial sector reforms. The key risk factors that hamper economic development are emphasized, and certain measures to overcome the same are suggested.

"Examines Asia's emerging markets, which survived the financial debacle of 2008-09 with only modest declines in growth; discusses activities that could dampen continuing development in these markets including inflation, surging capital inflows, asset and credit bubbles, and rapid currency appreciation; and offers strategies to promote financial stability"--Provided by publisher.

This paper uses a Binary Classification Tree (BCT) model to analyze banking crises in 50 emerging market and developing countries during 1990-2005. The BCT identifies key indicators and their threshold values at which vulnerability to banking crisis increases. The three conditions identified as crisis-prone—(i) very high inflation,
(ii) highly dollarized bank deposits combined with nominal depreciation or low liquidity, and (iii) low bank profitability-highlight that foreign currency risk, poor financial soundness, and macroeconomic instability are key vulnerabilities triggering banking crises. The main results survive under alternative robustness checks, confirming the importance of the BCT approach for monitoring banking system vulnerabilities.

...Sevic offers an accessible and closely argued account of financial sector reform processes in Southeast Europe. Sevic's book is the result of an extensive research project on banking sector reform in the Southeast European transitional economies undertaken since late 1998. ...an extensive look at this timely volume will pay handsome dividends and could help devise successful business plans.' - Jens Bastian, Southeast European and Black Sea Studies 'The book will be a very agreeable reading to experts on the region. Its comprehensive analysis emphasises past and current conflicts, the recourse to currency board arrangements, and the persisting asymmetries with reference to the functioning of the banking system in Central Europe. ...Banking Reforms in South-East Europe is a book that college students in banking and financial markets, and banking analysts should read.' - Bruno S. Sergi, South-East Europe Review Banking Reforms in South-East Europe gives a critical and detailed overview of banking system restructuring in the transitional countries of South-Eastern Europe - Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Romania and Yugoslavia - and offers suggestions for future reforms.

This study analyses the impact of financial sector reform which occurred in Indonesia in the late 1980s & provoked a surge in capital inflows. It is part of the Research for Action series which discusses policy-oriented research on the main strategic issues of development & international cooperation, as well as on the interaction between domestic & global changes.

A review of the experience of five developing countries in reforming their financial systems illustrates the benefits and risks, and provides lessons on the factors which contribute to successful financial sector reforms. Financial sector reforms need to be supported by active monetary policy, and the adoption of new monetary control procedures early in the reform program; reforms should be sequenced consistently with the broader program of macroeconomic adjustment. The pace of liberalization of interest rates and credit should also take account of the solvency of financial and nonfinancial firms. A minimal system of prudential regulation is an essential element of successful financial sector reform.

This report summarizes the papers and associated discussion presented at the Senior Policy Seminar held in Santiago, Chile between 25th and 28th of May, 1992. The seminar involved ministers, central bank governors and senior officials from several Latin American and Asian economies as well as several representatives of international organizations. The central purpose of the seminar was to comparatively assess the wide range of country experiences with financial reform in the two regions, with a view to distilling general lessons. The materials presented were oriented mainly around the diverse experiences of financial policy formulation and implementation during the 1980s and early 1990s. These materials supported discussion of a variety of subthemes, including the management of financial crises, the interaction of financial liberalization with more general economic reforms, the industrial policy aspects of financial reform, and the roles of governments in stimulating the development of specific types of financial markets and institutions. The presentation during the four days included country papers as well as a variety of more general and synoptic papers included in this publication.

This Independent Evaluation Group (IEG) review of World Bank assistance for financial sector reforms finds that the objectives of Bank assistance generally followed good practices in terms of reducing government ownership of financial intermediaries; improving prudential regulation to be consistent with international norms; and strengthening banking supervision to adhere more closely to international principles. However consistency within a country has sometimes been weak as has the coherence of the Bank's approach to financial sector reforms across countries. The report recommends that: (1) More guidance should be provided for Bank staff and client countries in areas such as the restructuring of banks; asset management companies; the privatization of banks; the promotion of capital markets; strengthening the
Online Library Financial Sector Reforms And Bank Performance In Ghana

legal, regulatory, and supervisory environment, and quality control of financial sector. (2) The Bank should develop monitorable indicators (3) A ratings system to evaluate vulnerability to financial crisis should be developed.

Financial sector liberalization can spur economic growth and development, but reforms to liberalize the financial sector can also entail risks if they are not properly designed and implemented. One of the central questions for countries reforming their financial systems is how to sequence the reforms so as to maximize the benefits of liberalization and contain its risks. Edited by R. Barry Johnston and V. Sundararajan of the IMF's Monetary and Exchange Affairs Department, this book attempts to answer this and related questions by drawing lessons from financial sector reforms in selected countries. In particular, the book surveys financial sector reforms in Indonesia, Thailand, and Korea between the mid-1980s and mid-1990s.

The IMF, with the Bank for International Settlements and the Financial Stability Board, has been at the forefront of discussions on reform of the global financial system to reduce the possibility of future crises, as well as to limit the consequences if they do occur. The policy choices are both urgent and challenging, and are complicated by the relationship between sovereign debt and risks to the banking sector. Building a More Resilient Financial Sector describes the key elements of the reform agenda, including tighter regulation and more effective supervision; greater transparency to strengthen market discipline and limit incentives for risk taking; coherent mechanisms for resolution of failed institutions; and effective safety nets to limit the impact on the financial system of institutions viewed as "too big to fail." Finally, the book takes a look ahead at how the financial system is likely to be shaped by the efforts of policymakers and the private sector response.

Research Paper (undergraduate) from the year 2019 in the subject Business economics - Banking, Stock Exchanges, Insurance, Accounting, grade: 4.60, , course: Banking and Finance, language: English, abstract: The objectives of this study includes to examine the effects of banking sector reforms on bank performance, savings, investments, developments of the Nigerian Banking System and Economic Growth. The banking sector is without no doubt a very essential part of the economy of a nation and any reforms carried out in it extend to other parts of the economy representing a transformational moment for the economy and its people. So it remains a nationwide challenge that the Nigerian banking sector and it’s reforms haven’t been able to significantly support the long-term financial needs of the real sector or facilitate the growth of the Nigerian economy The Augmented Dickey-Fuller (ADF) Test and The Phillip-Perron Test were used to test for stationarity of the variables, while the Johansen co-integration test was employed to indicate the existence of a long-run relationship among Gross Domestic Product—which acted as the Economic Growth proxy, Commercial Bank’s Capital, Commercial Bank’s Credit, and Number of Commercial Bank Branches which acted as the other variables. Secondary data was sourced from Commercial Bank Statistics, Central Bank Of Nigeria Bulletins, Nigeria Bureau Of Statistics, Statistical Bulletins for the period of 1998-2017. Conclusively, there was a positive and significant relationship between Economic Growth and Banking Sector Reforms in the long run, but a negative relationship between Economic Growth and Financial Sector Reforms in the short-run. It was recommended that the government should ensure political and macroeconomic stability as the activities in all other sectors are affected by them, and that people are enlightened on the benefits of banking sector reforms so that they don’t take opposing actions against the goal of reforms.

This study analyses the difficulties and problems encountered in transforming the Vietnamese financial sector from one that is subordinate to government objectives and goals to an autonomous sector guided by market forces and competitive pressures. Here, the history of financial sector liberalization is traced and close attention paid to the activities and autonomy of the State Bank of Vietnam, the institution responsible for the supervision and regulation of the financial sector in Vietnam. Overall, the authors argue that ensuring a timely, fair and transparent supervision and regulation of the financial sector is of central importance to financial sector development and stability. Liberalizing financial markets is not solely a question of limiting and/or restricting government influence but may in fact involve the opposite, the influence and power of supervisory and regulatory institutions in many cases needing to be strengthened.
The IMF, with the Bank for International Settlements and the Financial Stability Board, has been at the forefront of discussions on reform of the global financial system to reduce the possibility of future crises, as well as to limit the consequences if they do occur. The policy choices are both urgent and challenging, and are complicated by the relationship between sovereign debt and risks to the banking sector. Building a More Resilient Financial Sector describes the key elements of the reform agenda, including tighter regulation and more effective supervision; greater transparency to strengthen market discipline and limit incentives for risk taking; coherent mechanisms for resolution of failed institutions; and effective safety nets to limit the impact on the financial system of institutions viewed as "too big to fail." Finally, the book takes a look ahead at how the financial system is likely to be shaped by the efforts of policymakers and the private sector response.

Soon after its declaration of independence, Lithuania launched a program of market-based economic reforms that achieved remarkable results. However, a banking crisis erupted in January 1996, driven by a combination of ineffective bank supervision, poor bank practices, and deep-rooted sectoral imbalances. With financial support from the World Bank, Lithuanian authorities embarked on a broad economic reform program with two immediate objectives: the resolution of the banking system's operational and undercapitalization problems, and a reduction in the most severe imbalances in the economy. Volume I (see ordering information below) distills findings and conclusions and builds a policy action plan for fast stable growth. Volume II contains a collection of twelve policy notes that provide the technical analysis behind that plan. Also available: Volume II/Analytical Background(ISBN 0-8213-4327-0) Stock no. 14327.

A healthy and dynamic financial sector is essential to achieving high and sustainable economic growth in the Maghreb region-Algeria, Libya, Mauritania, Morocco, and Tunisia. Financial integration within the Maghreb region will help deepen financial markets, increase their efficiency, and enhance the resilience of economies to shocks. It can also play a catalyst role for the global financial integration of the Maghreb region. This paper provides an overview of the financial systems, takes stock of the reform effort and highlights the challenges ahead, and examines the prospects for financial integration in the five Maghreb countries

"Compares financial sector reforms and their impact on economic growth and stability in selected countries of Latin America and Asia. Articles range from the quite specific (e.g., securities regulation in Thailand), to more general"--Handbook of Latin American Studies, v. 57.

In recent years a number of countries have undertaken far-reaching reforms of their financial sectors. Generally speaking, financial sector reforms aim at achieving greater flexibility of interest rates, an enhanced role for market forces in credit allocation, increased independence for the central bank, and a deepening of money and securities markets. Such reforms, and the developments that follow, have important implications for the design and conduct of monetary policy. This paper provides an overview of the linkages between financial sector reforms and the monetary policy framework, focusing in particular on the objectives, instruments, and operating procedures of monetary policy.

Official opening of new head office building for Mercantile Bank.

The Committee on Financial System (CFS), popularly known as Narasimham Committee, was set up in 1991 to make recommendations for bringing about the necessary reforms in the financial sector. Narasimham Committee appraised and acknowledged the success and progress of Indian banks since the major banks were nationalized on 19 July 1969. Unfortunately, the developments were witnessed only in the field of expansion and spread of bank branches, generation of huge employment and mobilization of savings rather than also in improvement in efficiency. Besides, corruption, fraud, misutilization in public money, outdated technology, and politicization in policy making were found to be major drawbacks in the real progress of the banks. As the banking sector plays an important and crucial role in the economy of a country for its stabilization and balanced growth, major reforms were urgently needed, after 22 years of nationalization, to revive Indian banks. This was not only in the field of profitability, but also in the overall efficiency, viz., better management of non-performing assets (NPAs), satisfying capital requirements, increased cost
effectiveness and control, enhanced customer service, improved technology, establishing competitive interest rate, effective man-power planning, introduction of asset-liability management, better productivity, launching new products, and becoming more competent to face the upcoming challenges and competition from foreign as well as private sector banks in the era of globalization and liberalization. The objectives of the study are to examine the need and relevance of reforms in Indian banks, to assess the efficiency and profitability of Indian banks during reforms from different perspectives, to discuss various issues of NPA management in the light of reforms, to measure the performance of the banks of West Bengal during the reforms, to analyse the role of information technology and its relevancy in Indian banks in the era of reforms, and to impart necessary suggestions for the improvement of the efficiency and profitability of Indian banks.

This paper discusses key findings of the progress report on financial sector reforms in Spain. Spain’s European Stability Mechanism (ESM)-supported program of financial sector reform aimed to assist economic recovery by promoting financial stability. The program was adopted in mid-2012. The Spanish authorities’ implementation of the program has been steadfast. All of the program’s specific measures are now complete. Major structural reform efforts in a variety of areas (including labor and fiscal policies) will need to continue to achieve sufficiently rapid growth to bring unemployment down to reasonable levels over the medium term.

This is the first comprehensive book on the politics and economics of financial sector consolidation in an emerging market in West Africa. It draws on the author's twenty years experience working with multinationals in this oil-rich zone, to address key issues and examine banking reform in one of the world's fastest-growing economies.