THE REGULATION NECESSITY OF THE INTERNATIONAL FINANCIAL AND BANKING SYSTEM
(*A THEORY STUDY WITH REALITY*)

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ABSTRACT

The dilemma of regulation or deregulation in the financial and banking system is a challenge considering the financial market convulsions in the last 5 years. For this, using the comparative analysis I sought to observe the advantages and disadvantages of each variant. The method used in this paper is the literature review method The vast literature on the subject matter was a considerable help for me, the study of the great economists (both theorists and practitioners) like Keynes, Smith, Krugman, Soros, Llewellyn, Hayek, Greenspan, Asser, Mises, Roubini ruling in favor of one or the other variants. Because it is a matter of present interest, the regulation problem came not only to my attention, but the crisis pushed the authorities of the developed countries to react and seek to apply drastic measures to regulate the financial market. I concluded that the benefits of regulatory standards are recognized by countries that do not make it a priority. Financial stability is called by economists a global public good, so all countries benefit from it, whether or not they contribute to it. These nterdependencies are strong incentives for bank regulators mechanisms that they ensure the adherence of all countries to a set of common standards.

Keywords: regulation; deregulation; stability; crisis; innovation.

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