Banking Sector Reforms and Sustainable Development in Nigeria

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Abstract
Banking sector has been the hub and heartbeat of Nigerian economy. It has played prominent roles in sustaining the development of Nigerian economy through its financial obligations. Consequently, government and central bank of Nigeria have initiated and carried out series of reforms to facilitate effective banking operations and services to the various sectors of the economy for sustainable development. In-spite the numerous governments and central bank of Nigerian reformation agenda, the sector has been ailing in its functions of sustaining the economy due to some notable challenges. The aim of this study is to identify the challenges that are affecting the reforms and recommend on how to re-strategize the reformation programmes towards achieving sustainable development using explanatory research design. Empirical findings on financial reformation programmes disclosed ineffective implementation as the key challenge. The study among others recommends effective implementation and monitoring of banking reforms as well as proper supervision of the financial sector by the relevant authorities to achieve adequate compliance.

Keywords: Banking sector reforms and sustainable development
n developed and developing economies, banking sector remains the key to the financial system and economy. It fosters economic growth and development through effective financial services required to propel economic activities of industries, agriculture and other economic agents. According to (Ozemhoka et al., 2014), a sound banking system ensures the provision of effective and efficient financial services needed to boost economic activities, provide a platform for sound monetary policy implementation, as well as facilitate economic development. Ojukwu-Ogba (2009), added that a banking system in any given society is the artery through which the economic life blood of the nation runs. The contributions of banking industry in socio-economic development of countries have been reviewed and evidenced in many empirical literatures (Olokoyo, 2008, Ajayi, 2006, Ogar, 2017). In realization of banking institution’s vital contributions to the economy and some challenges that are debilitating its functional activities, government, central bank of Nigeria and other financial sector regulators have initiated several reforms to curb the challenges.

Banking reform is repositioning of banking sector under the objective of solving the chronic non-profit earning problems and strengthening of the overall health of the public sector banks to face international competitions. Ozemhoka et al., (2014) also described it as innovations, new ways or strategies put in place to improve or replace the old ways in which things were being done which are usually introduced either in response to evolving developments, operational challenges or as proactive measures both to strengthen the banking system as to prevent systematic crisis while CBN (2011) described reforms as substantial changes in banking sector regulations aimed at improving the conditions of individual banks and/or the entire industry. Reforms are regarded as essential in the banking sector due to the dynamics of the business of banking and the importance of the industry as an engine of growth in an economy.

Through reforms, the monetary authority usually central bank of Nigeria removes faults and abuses, repair, restore or correct certain anomalies that may lead to systemic failure and erode public confidence in the system. Nigeria has embarked on series of banking reforms. According to Ojukwu-Ogba (2014), central bank of Nigeria has introduced reforms that have fundamentally altered the outlook operation and nature of the banking system in the country. On the advantages of bank reformation, he stated that regulation via reformation of the industry has become all more important because of the rapid expansion of the Nigerian economy, globalization and technological advancement which has brought to the fore, the invaluable role of the banking industry as the vehicle for driving the nation’s economy, and in fact the global financial system. In spite of the numerous stages of reforms, Nigerian banking industry is still being overwhelmed by numerous challenges and inadequacies. This study will examine the notable reforms in the Nigerian banking industry by the apex body; identify the challenges and will proffer recommendations that will spur and create atmosphere for sustainable development.

**Statement of Problem**

Nigerian banking sector has been the life wire of the financial system and economy through its intermediation and developmental obligations. The valuable roles and efforts played by the sector has led to increased number of banks and deposits creation, employment, technological advancements, expansion of economy, price stability and achievement of other macro economic variables. Considering the sectors’ contributions, government and financial regulators have made series of reforms to combat banking crises to achieve financial stability. According to Sanusi (2010), Nigerian economy faltered and the banking system experienced a crisis in 2009 triggered by global events. The stock market collapsed by 70% in 2008-2009 and many Nigerian banks had to be rescued. In order to stabilize the system and return
confidence to the market and investors, the central bank of Nigeria injected N620bn of liquidity into the banking sector and replaced the leadership of eight Nigerian banks. In 2004, there was also a banking sector reforms that resulted to recapitalization and consolidation of banks in Nigeria for deepening and enhancing financial sector stability and competitiveness. The capital base of banks was raised from N2bn to N25bn and this reduced the number of banks from 89 to 24. In spite government and financial regulators’ determined efforts in initiating and embarking on reforms, the banking sector is still ailing and failing. This has been eroding public confidence and creating panic in the economy. The need to dictate the challenges that are debilitating the reforms and to carry out further study that will effectively reposition the sector towards achieving its key roles necessitated this study.

Research Objectives
The objectives of this study are:
To critically identify the factors that are challenging the banking sector reforms in Nigeria.
To examine the implications of banking sector reforms on sustainable development in Nigeria.

Research Questions
- What factors are challenging banking sector reforms in Nigeria?
- What are the implications of banking sector reforms on sustainable development in Nigeria?

Methodology of the Research
The study is on banking sector reforms and sustainable development in Nigeria and secondary reports that were sourced from the Academic Research Journals (which contain articles relating to the study) and Internet were utilized: According to Markham (2003), internet sources (e-mail) has been the most frequently used internet tool in the survey research for convenience and the types of internet sources include: Youtube, Skype, e-mail, web survey application, facebook.

Reference data: This is a set of permissible values to be used by other data fields and it gains in value when they are widely re-used and widely referenced (wikidpediia, 2019). Textbooks that contain the topic of the research understudy. In any research, the nature of the study suggests the type of research design that will be adopted to achieve a better result. Research design is a navigator that guides the researcher in the investigation and analysis of data. Bhat (2019) described it as a framework of methods and techniques chosen by a researcher to combine various components of research in reasonably logical manners, so that the research problem is efficiently handled. There are various forms of research design, but this study will adopt explanatory research design to draw conclusions because of its nature of utilizing ideas and thoughts about a particular problem as key to decision making.

Conceptual Framework
The concepts that are associated with this study are:
- Banking Reforms
- Sustainable Development
Banking reforms according to Gidigbi (2017) is regular or irregular interception in rules and regulations guiding the operation of financial institution towards attainment of international best standard and sufficient backing of economic growth and development in a country. He stated that banking reforms are set to achieve macroeconomic goals of price stability, full employment, high economic growth and internal and external balances. CBN (2011)
described banking reforms as substantial changes in banking sector regulations aimed at improving the conditions of individual banks and/or the entire industry. It concluded that reforms in Nigeria have been directed towards financial intermediation, financial stability and confidence in the system. IGI (2017) defined it as those reforms of the Indian banking sector under the objectives of solving the chronic non-profit earning problems and strengthening of the overall health of the public sector banks to face international competitions.

The reforms included legislative regulations that are necessary for the optimal banking sector. Bruntland (1987) defined sustainable development as that development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Bruntland further postulates that many environmental challenges that border human kind (climate, changes, hunger, inequality, water scarcity) can be attended at a global level through promotion of sustainable development. Serageldin and Steer (1994) and Toman (1999) described it as development that is preserving and enhancing the opportunities available to people in countries around the world and that, these opportunities depend on a nation’s accumulation of wealth and the wealth comprises: the stock of produced capital; the stock of natural capital and the stock of human capital. More so, wikipedi (2019) sees sustainable development as organizing principles for meeting human development goals, while at the same time sustaining the ability of the natural systems to provide the natural resources and ecosystem services upon which the economy and society depend. Emas (2015) opines that the concept of sustainable development aims to maintain economic advancement and progress while protecting the long term values of the environment. It provides a framework for the integration of environment policies and development strategies. Emas (2015) posits also that early theorists on economic of sustainability utilize economic tools to offer policies to protect environment, promote innovation and turn on profit. Porter and Van der Linde (1995) stated that sustainable developments provide opportunities, and create incentives for economic advancement. The overall goal of sustainable development is the long term stability of the economy and environment and this is only achievable through the integration and acknowledgement of economic environmental and social concerns throughout the decisions making process.

Sustainable development is the bedrock of today’s leading global framework for global corporation. To achieve a new sustainable development, United Nations initiated 2030 sustainable development goals that can help to protect the climate and guarantee the global well-being of people. This 2030 agenda for sustainable development has 17 goals and each of the goals has specific targets to be achieved by 2030. The goals are summed up as: eradication of poverty and hunger; promotion of collaboration between different social agents to create an environment of peace and sustainable development; reduce inequality; foster innovation and resilient infrastructure; universalize access to basic services such as water, sanitation and sustainable energy; support development opportunities through inclusive education and decent work; and to care for the environment combating climate change and protecting the oceans and land ecosystems (United Nations, 2015). So the banking sector reforms propel sustainable development through its intermediating and mobilization roles between surplus and deficit units of the economy. Mobilization of resources from surplus unit to deficit unit lubricates the economy towards growth and sustainable development.

The flowchart in figure I below shows a circular movement from banking sector reforms to sustainable development and from sustainable development to banking sector reforms. The flow indicated a causal relationship that banking reforms propel sustainable development and the need for sustainable development calls for banking reforms. The chart also reviewed that
financial regulators and government initiate, monitor, implement and supervise financial reforms through the intermediaries (banks) to achieve sustainable development.

Figure I:

**SCHEMATIC REPRESENTATION OF BANKING REFORMS IN NIGERIA**

GOVERNMENT AND FINANCIAL REGULATORS

BANKING REFORMS

DEREGULATION OF INTEREST RATE
LIBERALIZATION
CONSOLIDATION AND RECAPITALIZATION
UNIVERSAL BANK NIG.

INTERMEDIATING BANKS

SUSTAINABLE DEVELOPMENT

**Theoretical Preview**

This work relies on the theoretical framework of recent endogenous growth theory that has its bedrock on financial development. This theory is relevant in measuring the relationship between banking reforms and economic growth/sustainable development. In this endogenous model of growth, it has been established that financial development can affect growth/development in these ways: raising the efficiency of financial intermediation; increasing the social marginal productivity of capital and influencing the private savings rate. This enables a well functioning financial market at the core of endogenous technical progress because a well functional financial system increases the efficiency of the human capital as well as the physical capital. More so, productive financial services improve and expand the scope of innovative activities (Saint-Paul, 1992). The theory provides an understanding of the importance of financial development in economic growth a point often obscured in neoclassical growth model.

Globally and traditionally, many scholars’ studies have proved that financial deepening, monetary policies electronic banking, recapitalization, liberalization etc. have significantly and positively regulated and repositioned the banking sector for sustainable financial stability and development. Ojong et al (2014) studied on banking sector reforms in Nigeria and their result revealed that prior to 2004 Nigerian banking sector reforms, banks were undercapitalized and this accounted for their poor performance in terms of low profitability,

Allen and Gale (1994) pointed out that numerous types of financial innovations and instruments have been developed and adopted and there were found to be robust. Pagno (1993) in his work posits that financial intermediation has a positive effect on national economic growth while Fadare (2010) disclosed that recent endogenous growth theory suggests that strong banking sector promotes economic growth and holds assets that policy measures can have effect on the long run growth rate of an economy. Fadare added that Schumpeter (1934) in his study indicated that banking policies that embrace openness, competition, change and innovation will promote economic growth and sustainable development. The relationship between financial development and sustainable development is a reciprocal one. Financial developments (intermediation, e-banking, recapitalization, policies etc.), result to sustainable development, while sustainable development makes financial development profitable. Effective and viable financial development leads to faster sustainable development.

Empirical Review
There have been several empirical literatures on banking sector reforms and economic growth and development. Olokoyo (2013) researched on the banking reforms and performance of banks in Nigeria using primary data via SPSS. The study shows that recapitalization and consolidation process had significant effect on the manufacturing sector of the economy and thus on the Nigerian economy at large. It was further revealed that despite the reforms, post consolidation challenges like increased return on investment still exists. Gidigbi (2017) studied on assessment of the impact of banking reforms on economic growth and bank performance in Nigeria between 1981-2015 using regression analyses. The result of the finding indicated that banking reforms contributed positively to economic growth from 1999-2004. Also, the reforms were found to contribute negatively to bank performance following 1993 reforms. The study also confirms that banking system reforms in Nigeria have dual impact on the economy and bank performance and therefore are capable of promoting growth in the economy.

Onodje (2009) discussed on Nigerian’s banking sector reforms and the journey so far. He discovered that consolidation in the Nigerian banking system promoted the emergency of financial conglomerates, engaged in cross border and cross sector operations. The sector began to participate effectively in financing large transactions and they became attractive to multinational companies operating within the commending heights of the economy. Akpansung and Gidigbi (2014) studied on recent banking reforms in Nigeria, implications on sectoral credit allocation and economic growth using both analytical and OLS estimating techniques. They discovered that, despite the drastic reduction in the number of commercial banks during the reform period, credit allocated to the activity sectors (agriculture, mining and quarrying, manufacturing, communication and gas) improved.
In another vain, Ozemhoka and Abieyuna (2014) examined the challenges of banking sector reforms in Nigeria between 1958 to 2011 and the challenges the reform posed to both the banks, the apex authorities as well as the Nigerian financial system. The result discovered that most of the sector reforms were reactive and not proactive and consequently were directed towards particular issues that arose from time to time. Because the reforms were not strategically holistic, most of the positive impacts of the reforms were short lived and unsustainable. The paper recommended strengthening of monitoring and supervisory capacity of the apex authorities. Ojukwu-Ogba (2009) researched on banking sector reforms in Nigeria legal implications for the banker-customer’s relationship using explanatory analysis. The findings indicated that the reforms have proved to be a master stroke and a big advantage as they have not only engendered greater confidence in the banking system among the depositing public, but has also resulted in the enthronement of a regime of healthy, strong, viable and competitive banking institutions in Nigeria. Osahon and Gabriel (2015) examined on the benefits and challenges of Nigeria’s cashless policy using secondary data and content analysis and it was discovered that cashless policy offers immense benefits to the banking sector.

**Perspective on Banking Reforms in Nigeria**

The Nigerian banking sector has gone through series of reforms since 1980’s. First, the structural adjustment programme (SAP) of 1986 which brought about deregulation regime. Ozemhoka (2014) stated that this era involved deregulation of interest rates and exchange rate, removal of preferred sector credit allocation and free entry into banking business subject to satisfaction of various other conditions for obtaining banking license. SAP was later found counterproductive which led to the failure of some banks in the mid to late 1990’s. The 1991 bank and other financial institutions act (No. 25) introduced liberalization of banks which resulted to the establishment of many banks. The act contained guidelines for bank regulation, supervision and liquidation. The liberalization of interest rate brought about sharp rise in minimal deposit and lending rates as well as other regulatory and management challenges which led to its crash in 2000. In 2001, Universal banking was introduced to create more efficiency, entrant of more banks and provision of wide range of products and services.

At late 2003 and early 2004, many weaknesses, defects and challenges like low capital base, poor assets quality, increased number of unsound banks and weak corporate governance, over dependence on public sector deposit and foreign exchange trading and neglect of small and medium scale enterprise were identified in the banking sector. These led to the banking sector reforms of 2004 that involved recapitalization and consolidation of banks in Nigeria for deepening and enhancing financial sector stability and competitiveness. The year 2004 was era of consolidation of Nigerian banking industry in which the then CBN Governor introduced 13 point reform agenda which was announced by the Apex bank on July 6, 2004. The key agenda of the reform was raising of the minimum paid-up share capital of banks from N2 billion to N25 billion with effect from January 2005 and encouragement of consolidation of banking institutions operating in Nigeria.

The other agenda were: establishment of an asset management company as agent of distress resolutions; adoption of risk focused and rule based regulatory framework; adoption of zero-tolerance regulatory framework; consolidation of banks through merger and acquisition; collaboration with EFCC in the establishment of financial intelligence unit (FIU), enforcement of the anti-laundering and other economic crime measures, the promotion of the enforcement of dormant laws especially those relating to the issuance of dud cheques and law
relating to vicarious liabilities of the board members of banks in case of failing banks, automation process for the rendition of reforms by banks and other financial institutions through the embraced financial analysis and surveillance; strict enforcement of the contingency planning and for systemic banking distress (CBN, 2011).

The unsatisfactory trend in the banking sector and the challenges of the 2007 global financial crisis resulted to the 2009 banking reforms. The Central Bank of Nigeria/Nigerian Deposit Insurance Corporation (2009) audit examination of banks indicated of 10 out of the 24 banks were found to be in grave liquidity problem. Their capital base had been eroded due to high level of non-performing loans, poor corporate governance practices, tax credit administration process and non-adherence to the banks, credit risk management practices (Sanusi, 2009). According to CBN (2011), the reform focused on improving the quality of banks and financial stability. The exercise was desired to ensure a diverse, strong and reliable banking sector in Nigeria to ensure the safety of depositor's money, be a competent and competitive player in the regional, and global financial system of the 21st century. The reforms led to the removal of Chief Executive Officers and directors of eight troubled banks. To sanitize the banks, the tenure of chief executive officer of banks are determined, commencement of Islamic banking, the abolition of universal banking, categorization of banks into regional, national and international and effective take off of the Asset management corporation of Nigeria. The categorization implies that the capital bases of regional, national and international banks will be N15 billion, N25 billion and N100 billion respectively.

The Key Challenges of Banking Reforms in Nigeria

In spite of the vital vision of the reformation agenda by the apex body and its agencies to prevent or reduce the chances of bank failures and protect the depositors and the laudable achievements recorded there tend to be some challenges that are debilitating the effective functional ability of the banking sector. These challenges have been discussed by various scholars thus: Sanusi (2010), supervision and enforcement of the reforms have been the major challenge facing the banks and reformation agenda. Uneven supervision and inadequate enforcement play significant role in exacerbating the problems associated with the crises. Regulators were ineffective in foreseeing and supervising the massive changes in the industry or in eliminating the passive corporate governance failures. The supervision department within the CBN was not structured to supervise effectively and to enforce regulations. Critical processes like enforcement, pre-examination planning and people development were not delivering the results required to effectively supervise and engage banks to enforce good conduct.

There has been problem of unethical practices by officials of some banks that tend to jeopardize the future of the banks. Lack of ethics and professional practices exhibited by the management of banks have seriously short changed the system. According to Kotein (2017) the central bank of Nigeria has been intervening to investigate fraud, greed, insider abuse etc. because these are the succeeding result of unethical behaviour from both staff and management. Most of the bank directors and core staff are perpetrators, and they are aware of these complex unethical and unprofessional behaviours and conceal them from the regulatory authorities until they get to the verge of the bank failing. Unethical behaviour is responsible for distress in banks and constitutes drawback to the reforms. NDIC (2008) enumerated the shortcomings of the reforms as: weak board and management oversight, inaccurate financial reporting, poor book-keeping practices, non-performing insider related facilities, declining assets qualities and attendant large provision for bad debt; inadequate debt recovery efforts,
significant exposures to the capital market through share loans to individuals and marginal loans to stock.

Fraud and Cyber Crimes formed another major challenge of Nigerian banking industry and reforms. Frauds are in form of theft, embezzlement, forgeries, unethical borrowings, foreign exchange malpractices, impersonation, manipulation of vouchers, falsification of status report, money laundering, fake payments and computer fraud. There has been cyclical increase in cybercrime through computer, mobile and internet technologies and the perpetrators are becoming more sophisticated and complex. According to Enofe et al (2017), fraud is a threat to an organization’s going concern and its interaction with external stakeholders can result to huge financial loss and damage. Bank frauds are committed jointly by insiders (employees) and outsiders who successfully commit an unethical behaviour due to weak internal control systems.

The emergence of large number of banks, expansion of branch network, sophisticated growth in information communication technology and global influences on financial services calls for sufficient developed infrastructures and better business environment for the operation of banking services and these are lacking in Nigerian banking environment. Cost of doing banking business in Nigeria is high compared to what is obtained in developed, developing and emerging countries owing to the poor state of infrastructures. There is a poor banking habit in the country due to unemployment and poverty level. More so, banks lack high skilled, competent and committed workforce that can effectively contribute to value creation within a competitive financial sector environment. Nigerian legal process is long and expensive and banks seldom pursue borrowers in court. Few banks were able foreclose on borrowers and this led to borrowers abusing the system. So, effective bank operation in Nigeria is being embedded by poor infrastructures and frustrating business environment to face the global competition.

The treasury single accounts established by the federal government through CBN is posing a lot of implementation problem for Nigerian banks, states and other government parastatals that would normally fix deposit huge sums of money at once. They cannot do it again because this money has to be rendered to the federal government for payment into the nation’s general treasury single account. The banks would previously use this fixed depositors’ money to grant loans and engage in other financial transactions while generating interest for itself. This has dropped the capital base and prevented them from having access to floats provided by the accounts they maintained for the ministries, departments and agencies. This has negative multiplier effect on the reforms and the economy.

The introduction of non-interest banking (Islamic banking) reform in Nigeria has created a lot of commotion in Nigerian banking industry. This is because of the religious connotation. The still resistance to the policy could potentially deter prospective investors in the banking industry. The implementation remains almost impossible because, Nigeria is a diversified religious ethnic nation. So, the operational guideline of Islamic banking and management are influenced by religious and ethnic sentiment which is against the normal conventional banking and legal practice in Nigeria.

**Implications of Effective Banking Reforms on Sustainable Development**

Basically, financial reforms are embarked by the regulatory authorities to spur the entire economic system to function effectively and efficiency to achieve the desired macroeconomic objectives. Banking reforms are initiated to reposition the sector towards achieving economic
growth and sustainable development through intermediation process. The multiplier effect of successful banking reforms and healthy banking system to the economy cannot be over emphasized. Zemhoka and Abieyuwa (2014) in discussing the effects of 2004 to 2005 banking reforms in Nigeria, opines that the process led to the inflow of US $652m and 162,000 pounds sterling into the economy. Other macroeconomic indicators that increased in 2005 were, GDP (N8b-N14b); total bank deposits (N1.8b-N2.4b); total bank assets (N4.0b-N5.4b); total loans and leases of banks (N1.1b-N1.8b); paid up share capital (N119.7b-N141.87b). Those that reduced favourably were: Number of banks (89-25); inflation (15.0-11.9), total assets of banks to GDP% (47% to 37%); Ratio of total banks’ deposits to GDP (21.2% to 16.9%) (NDIC, 2008). From these macroeconomic indicators, it is evidence that banking reforms have impacted significantly on the Nigeria’s economy, hence Muniraju and Kumar (2012), and central bank of Nigeria (2012) summarized that, in order to achieve macroeconomic goals, banking reforms is expected to effectively play a significant role in the stability of international markets.

Sanusi (2012) asserts: “thus, banking reforms is an integral part of the country wide reform programmes undertaken to reposition the Nigerian economy to achieve the objective of becoming one of the 20 largest economics by the year 2020, making the system more effective and strengthening its growth potentials. Also, there is a need for periodic reforms in order to foster financial stability and confidence in the system.” Again, Sanusi (2011) stated that globally, banking reform is predicted on the need to increase risk management procedures and enhance corporate governance in order to strengthen and reposition the sector to enable it contribute efficiently to the development of the real sector through intermediation process. He further stressed that, this process will substantially improve the regulatory and surveillance framework, foster healthy competition in banking operations; ensure an efficient framework for monetary management, expansion of savings mobilization base, enforcement of capital adequacy, promotion of investment and growth through market- based interest, increasing sophistication of the global financial products and even the recent global financial crises. The achievement of these processes of banks reforms results to sustainable development.

Effective banking reforms and implementation propel the economy and lubricate other sectors for sustainable development. Ojong et al (2014) states that economic reforms are undertaken to ensure that every part of the economy functions efficiently in order to achieve the macroeconomic goals of price stability, full employment, enhanced economic growth and development. They further added that effective implementation and supervision of the reforms enhance the quality of banks; enhance financial stability and by implication economic stability, to bring about health financial sector evolution that will result in the much-desired financial sector inclusiveness and ensure that the financial sector contributes to the real sector of the economy. The inter dependence between banking reforms and sustainable development leads to long term stability of the economy. A reliable banking reforms and policies seek to tackle the sources of bank challenges and not the symptom. A defined and tackled challenges result to lasting reforms that can achieve sustainable development. Porter and Van der Linde (1995) opined that sustainable development policies work to tackle sources of problems, provide opportunities and create incentives for economic advancement.

More so, banking reforms facilitate swift achievement of efficient and sound financial sector for sustainable development. According to Lemo (2005), the primary objective of reforms was to guarantee an efficient and sound financial sector. He also opined that the Nigerian
banking sector reforms were designed to enable the banking industry develop the required resilience to support the economic development of the nation by efficiently performing its functions of financial intermediation. Finally, he added that the fundamental objectives of the reforms were to ensure the safety of depositors’ money, position banks to play active development roles in the Nigerian economy and become major players in the sub-region, regional and global financial markets.

Reformation of the sector helps to ease global competition and ameliorate market stocks for sustainable development. In emerging markets, financial reforms have become prominent and inevitable as banks strive to become more competitive and resilient to shocks as well as reposition their operations to cope with challenges of the increasing globalized banking system (Oke & Adeusi, 2012). Emala (2005) added that Nigeria as an emerging nation should involve on regular basis bank reforms that are aimed at responding to the challenges posed by some developmental factors (technological innovations, globalization, systematic crises, political crises, deregulation) or act proactively both to strengthen the financial system and prevent systematic problems as in the case in the current reforms.

Conclusion
Nigerian banking sector reforms have resulted to significant, valuable and laudable achievements to the banking industry, financial system and the economy in spite of the challenges. The reforms created healthy, strong, reliable and competitive banking operations. However, this study in tracing the stages of the reforms was able to identify some challenges that are embedding the reforms from attaining its wholesome primary objectives. Among them was CBN and her agencies’ weak and incapable of effectively carrying out their supervisory and monitoring roles at the implementation levels. To this effect, this study among others recommended establishment of effective and strict supervisory, monitoring and implementation mechanisms to achieve wholesome compliance to the reforms. Theserecommendationswhenimplementedwouldtotally reposition the banking sector reforms for sustainable development.

Recommendations
Government and regulatory bodies should embark on aggressive and effective implementation, monitoring and supervision of banking sector reforms to achieve strict compliance. A specialized unit should be established to monitor the programmes of reforms to ensure that they do not derail from what they intend to achieve. This unit should develop effective and reliable monitoring mechanism that will enable CBN, banks and NDIC to share common database to ensure checks and early detection of un-ruling practices on the part of bank operators. Considering the devastating impact of cybercrime, fraud and corruption to the banking sector, financial system and the Nigerian economy, this study recommends the graduation of penalties to the perpetrators from 10, 20, 25 years to life imprisonments to deter subsequent offenders.

Good corporate governance, strong internal control and compliance to banking ethics and professionalism should be strictly adhered to. This will prevent the current accelerating sophisticated fraud, cybercrime, errors and misappropriations respectively. To achieve this, bank operators and customers should be trained and sensitized to be aware of the nature and gimmicks of the increased cyber-crime and fraud and how to curb them. Regulatory agencies through their monitoring and implementation unit should continue to ensure that the banks abide strictly to the code of corporate governance. Economic and Financial Crime Commission should be repositioned to its statutory duties with fairness, equity and justice to
enable rule of law to prevail than sentiments in carrying out their assigned duties. They must make sure that the offenders are strictly adjudicated and appropriately punished. CBN should release some of her functions to other apex agencies such as NDIC, hence CBN appears to be over saddled with too many responsibilities beyond her present capacity. Government and the regulatory bodies should re-visit Islamic banking, treasury single account and cashless policy reforms because they are counterproductive to Nigerian banking environment. They can scrap them or reform them again to suit Nigerian environment. CBN and NDIC should strengthen capacities through training and deployment of up-to-date technology for bank supervision, collection and analysis of the financial and management situations of banks. The supervisory role, exchange control, method of licensing bank operations should be overhauled and the responsibility should be assigned to tried and tested professionals who will be able to monitor the banking operations and ensure strict compliance. They should be experts in retail and wholesale banking and in fact must have knowledge in all other related fields in which banks are now licensed to operate.

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