

**Possible reflections of the Services Liberalization Agreement on banks (Applied study of the situation of banks operating in Sidi Bel Abbès)**  
**الإنعكاسات المحتملة لاتفاقية تحرير الخدمات على البنوك (دراسة تطبيقية لحالة البنوك العاملة بمدينة سيدي بلعباس)**

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**Abstract:**

The objective of the study is to analyze the implications of the agreement on the liberalization of financial services for Algerian banks by diagnosing and analysing the reality of the banking sector as one of the important sectors under which the agreement on the liberalization of financial services is being developed. This is using a questionnaire survey to a sample of 60 employees in public banks located in Sidi Bel Abbès city. We have concluded that Algeria must undertake many reforms and strategies that will enhance the efficiency of the banking sector and its development and adaptation to the requirements of liberalization, in order to benefit from the benefits of the Convention and to avoid the negative repercussions and challenges arising from the process of liberalization of the financial services trade.

**Keywords:** Trade in Services; Financial Services; General Agreement on Trade in Services; Algerian Banking Sector.

**Jel Classification Codes:** F13 ; F65.

**ملخص:**

تهدف هاته الدراسة إلى تحليل انعكاسات اتفاقية تحرير الخدمات المالية على البنوك الجزائرية ، وذلك من خلال تشخيص وتحليل واقع القطاع المصرفي باعتباره أحد القطاعات الهامة الذي تدور حوله اتفاقية تحرير الخدمات المالية. وذلك باستخدام استبيان تم توجيهه لعينة مكونة من 60 موظفا

بالبنوك العمومية التي تتواجد بمدينة سيدي بلعباس . وقد خلصنا إلى أنه يجب على الجزائر القيام  
بالعديد من الإصلاحات والاستراتيجيات التي تعمل على الرفع من كفاءة القطاع المصرفي  
وتطويره وتكييفه مع متطلبات التحرير، من أجل الاستفادة من المزايا التي تمنحها الاتفاقية  
وتجنب الانعكاسات والتحديات السلبية التي تنجر عن عملية تحرير تجارة الخدمات المالية .  
**كلمات مفتاحية:** تجارة الخدمات ; الخدمات المالية ; الاتفاقية العامة للتجارة في الخدمات ;  
القطاع المصرفي الجزائري.  
تصنيف JEL : F65 ; F13 .

## 1. INTRODUCTION:

The end of World War II is a crucial historic turning point, especially at the global economic level, in the wake of which two international institutions were established, the first of which is the International Monetary Fund ( IMF), and the other is the World Bank.

However, the economic construction was not completed and had to be supported by an international institution concerned with the organization and liberalization of the trade area, in this context a multilateral treaty known as the General Convention on Tariffs (GATT) was signed on 30 October 1947, which includes mutual rights and obligations between countries. This agreement has undergone several revisions to modernize to cope with changes in international trade, going through eight rounds from the First Round of Geneva in Switzerland (1947) to the last round of Uruguay, which lasted from 1986 to 1993. The most important outcome was the birth of the World Trade Organization (WTO) on 01/01/1995.

The Uruguay tour included several trade agreements, most notably that of the Trade in Services Trade Organization, known as the GATS General Agreement, which included several types of services. Including financial services that include banking services, which introduced banks towards financial liberalization or so-called financial globalization.

### Study problem:

Algeria is one of the developing countries seeking to join the World Trade Organization to upgrade its banking services in a way that enables it to keep pace with the global system, which requires the liberalization of this sector, as Algeria stands on the threshold of this accession, it has to face the intense competition from foreign banks of developed countries members of the General Agreement for the Liberalization of Trade in Services. Which will have unforeseen effects on the

Algerian banking sector. Therefore, the main question can be asked: **What are the possible implications of liberalizing services trade on the banking sector if Algeria implements the agreement on the liberalization of services?**

To answer the question and its ramifications, there are two basic assumptions: the first is the moral indication of positive repercussions on the Algerian banking sector, and the second is completely contrary to the former and lies in the negative repercussions on the same sector.

To achieve the objectives of the study we first address its theoretical framework where we highlight the concept of trade services and then limit on the scope of the definition of financial services within the General Agreement on Trade in Services (GATS) to pass the specific principles of the mechanisms of liberalization of trade services and finish the theoretical study with the effects and implications of the liberalization of financial services trade on developing countries.

## **2. THE THEORETICAL FRAMEWORK OF THE STUDY:**

### **2.1. The concept of trade services:**

In terminology, it can be said that trade in services means: 'that economic activity that goes into the trade-in everything invisible or intangible (intangibility or invisibility), as opposed to goods in which trade depends on visible and tangible things.

Trade-in services can be defined as 'unforeseen economic transactions between residents of a particular country and non-residents<sup>(1)</sup>.

### **2.2. Scope and definition of financial services within the General Agreement on Trade in Services (GATS):**

After the end of the eighth round of negotiations (Uruguay Round), a series of agreements governing the Rules of International Trade Conduct (GATS) was reached, most notably the General Agreement on Trade in Services (GATS), which was considered the first multilateral agreement to establish rules for international trade in services (All Tradable Services), which are among the mandatory agreements that WTO (World Trade Organization) members must accept within the WTO-supervised package of agreements.

We find that the Agreement covers all commercial services in any service sector, except those provided under the exercise of government authority, according to the third paragraph of article 1 of the Convention, and the Secretariat of the World Trade Organization has identified the different images of services in twelve (12) images in general<sup>(2)</sup>, perhaps the most prominent of which is the financial services

sector. Research activities include<sup>(3)</sup>:

- Accept deposits from the public
- Lending of all kinds such as consumer loans, loans for real estate insurance, debt rescheduling, commercial finance, leasing finance
- All forms, transfers, and exchange of money, including credit cards, bank cheques... And so on.
- Financial brokerage; guarantees, commitments, and obligations; trade for a private account or client account in all financial instruments<sup>0</sup>, in financial markets; asset management, such as cash and portfolio management, investment portfolios, pension fund management, and trust deposits.

Therefore, financial services are defined by the Convention as follows: 'Financial service is any service of a financial nature offered by a financial service provider in a Member State.

The service provider means any natural or legal person who wishes to offer or provide financial services, but the term service provider is not used to describe public entities.

As for the liberalization of the financial and banking services trade, it is called financial liberalization in short, meaning 'to eliminate all kinds of financial restraint, which are often the constraints imposed on competition in financial markets that create an appropriate atmosphere for the protection of financial intermediaries<sup>(4)</sup>.

We can, therefore, conclude that the agreement covered all types of financial services, including the various activities of financial and monetary institutions, insurance companies, reinsurance, capital markets, and international commercial banks, which provide approximately 250 types of financial services<sup>(5)</sup>.

It is worth mentioning that the terms of the Financial Services Agreement were not signed until December 1997 and it was agreed to take effect from March 1, 1999.

Thus, a multilateral agreement was reached on the opening up of the multi-billion dollar financial services sector.

### **2.3. Principles that define the mechanisms of trade liberalization of services:**

The Agreement on the Liberalization of Trade in Services is based on several principles and rules that must be observed when applied, which is called the specific undertakings outlined as follows:

- **Most Favored Nation:** It means non-discrimination between foreign service providers in terms of market access and operating conditions, as per condition, each member is obliged to grant services and service providers from any other member to a transaction that is no less favorable than that granted to similar services and service providers from any other country<sup>(6)</sup>.
- **The principle of national treatment:** the member country is obliged by this condition to provide service providers from any other member country, and for all procedures related to the supply of services, treatment is no less sponsored than that provided to similar services and service providers located on its territory, in the sectors included in the schedules of its obligations and by the conditions and conditions specified in it. To meet this requirement, care is not required to be the same, as the treatment may be officially different for foreign services and service providers<sup>(7)</sup>.
- **Market access principle:** The meaning of this principle is the freedom of foreign suppliers to access the local market of the member state as opposed to the freedom of local service providers to be present in the foreign market.

#### **2.4. The effects and implications of the Financial Services Trade Liberalization Agreement on developing countries:**

- A. The positive effects of the Financial Services Trade Liberalization Agreement on developing countries:** The most important positive effects of the agreement can be limited to the following points<sup>(8)</sup>:
- ✓ The liberalization of trade in financial and banking services generally leads to competition from foreign banks to local banks, and an improvement in the performance of banks, making them more efficient and effective.
  - ✓ This liberalization may lead to a wider banking market and maximize the benefit of economies of scale as a result of increased banking mergers.
  - ✓ The liberalization of the trade of financial and banking services leads to the expansion of its size, thus benefiting from real and positive interest rates, which is reflected in the increase in domestic savings.
  - ✓ Competition reduces the cost of banking services, and there is quality in its delivery.

- ✓ The liberalization of banking trade leads to the transfer of modern technology to the local banking markets, due to the presence of foreign banks within the domestic market.
- ✓ The financial services trade investigation leads to the flow of capital from surplus countries to countries with capital deficits.

**B. The negative effects of the Financial Services Trade Liberalization Agreement on developing countries:**

- ✓ Developing countries are characterized by the small size of their financial institutions and the poor performance of their banking services, which makes them unable to compete with foreign banks that are characterized by strong performance and reliance on advanced technology<sup>(9)</sup>.
- ✓ The fear that foreign banks and banking institutions will serve the profitable sectors of the market only, with the risks that this entails and the lack of access to certain sectors and regions<sup>(10)</sup>.
- ✓ The Financial Services Agreement limits the ability to develop countries to take restrictive measures in their quest to maximize openness and liberalization of financial services trade on an international scale, so foreign institutions operating on the territory of these developing countries will try hard to implement the objectives of their home countries in collecting the highest profits, and to achieve the greatest gains, even at the expense of national monetary and financial policies<sup>(11)</sup>.
- ✓ The liberalization of banking and financial services trade can have a negative and indirect impact on financial stability, thus undermining macroeconomic and financial stability<sup>(12)</sup>.
- ✓ The liberalization of the trade of financial and banking services may allow one or more banks to fail and go bankrupt, which can lead to a crisis in the entire banking market as the loss of confidence leads to a rush or attack on banks to withdraw their funds.

**3. FIELD STUDY:**

the practical aspect of this research paper will determine first the society and the limits of the study, secondly the sample of the study, thirdly the study tool, fourth statistical methods used in the study, fifth results and analysis of this study and

finally we will address the test of hypotheses put forward in it.

**3.1. Study community and limits:** The study focused on public banks operating in the city of Sidi Bel Abbas only, and targeted their employees at different levels of science, as well as their jobs. This is due to two main reasons:

- These banks can represent the Algerian West
- Time and cost factors have been taken into account;

The sample approved in the study is a random sample and therefore its results can be circulated to Algerian banks, especially public ones, which have the same features, characteristics, and features.

- **Sample study:** A questionnaire designed for field study purposes was distributed to employees working in banks, and to meet the purposes of the study was distributed 60 forms, of which 57 forms were retrieved, thus, after sorting them were found to be invalid, i.e. 55 valid forms, i.e. 91.66%, and on this issue, the results were analyzed. The sample of the study will be described by the name of the bank by the following table

**Table n°1:** The study sample is illustrated by the name of the bank

Percentage%	Number of distributed forms	Name of the bank
25.45	14	Algerian foreign bank BEA
23.64	13	National provident and reserved fund CNEP
21.82	12	Algerian popular loan CPA
29.09	16	Agricultural and rural development bank BADR
100	55	Total

**Source:** Prepared by the researcher based on the results of the questionnaire

- **Study tool:** The questionnaire was used in the field study, which is one of the tools used in the descriptive method, where it is considered a means of obtaining information from the researcher himself, and the questionnaire was built to serve the purposes of the study according to several steps summarized below:
  - **The first step:** The possible implications of the agreement for the liberalization of trade services on the banking sector were drawn by looking at the results of previous studies related to our subject, and then the form was built by the researcher, which contained 20 variables in one

form, divided into three main parts, according to the ladder of the petals card. The first part dealt with the general data of the researchers (i.e. employees in banks), and the second part was related to a query about the degree of approval of the terms mentioned in the questionnaire and consists of three axes:

- ✓ The first axis: related to the diagnosis of the current status of the banking system in Algeria and included 07 phrases.
  - ✓ The second axis: concerning the possible positive repercussions on Algerian banks if Algeria implements the agreement to liberalize trade in financial services, which includes 07 phrases.
  - ✓ The third axis: concerning the possible negative repercussions on Algerian banks if Algeria implements the agreement to liberalize trade in financial services, which includes 06 terms.
- **the second step:** Testing the accuracy and stability of the questionnaire the researcher has confirmed the validity of the questionnaire through:
- **Virtual honesty (the honesty of content):** This was done by presenting the questionnaire prepared to the arbitrators in the Faculty of Economics of Sidi Bel Abbas University as professors and specialists, and a preliminary study was conducted on a survey sample of 30 forms to test the state of honesty in the questionnaire to identify clarity and understanding of paragraphs, to be drafted in the final form in response to the opinions of the arbitrators and in light of their proposals to graduate the questionnaire in its final form.
  - **Stability of the questionnaire:** The researcher measured the internal consistency of the questionnaire questions and confirmed the logical honesty of them through the use of the Alpha Cronbachs (CCA Cronbachs Coefficient Alpha), and usually the value of the Alpha Cronbach coefficient ranges from zero to one, and the closer the one, the more the strength of the internal cohesion of the measuring tool.

The researcher found that the total value of the Alpha Cronbach coefficient of variables was (0.758) and therefore this value is high and positive, indicating the internal consistency of the questionnaire questions.

**Table n° 02:** Results of the Alpha Kronbach Stability Factor Test

The number of alpha Kronbach coefficient	Number of variables	Themes of resolution
0,665	07	Diagnosing the current position of the banking system in Algeria
0,691	07	Positive potential repercussions on Algerian banks in the case of the application of the trade liberalization agreement in financial services
0,618	06	Possible negative repercussions on the Algerian banks in the event of the implementation of the agreement to liberalize trade in financial services
0.758	20	The three axes as whole

**Source:** Prepared by the researcher based on the outputs of the program spss.v.25

**3.2. Statistical methods used in the study:** After confirming the sincerity and stability of the questionnaire, the researcher distributed the questionnaire to the sample of the study. And after collecting the data and retrieving the questionnaires the researcher reviewed it to enter it to the computer, where it was based on the computer program (spss.v.25) It was also based on the Five-Degree Likert scale, as each variable has potential answers., where each answer is given a certain weight (not strongly agreeable =1, disagrees =2, neutral =3, agree =4, strongly agree =5), from these grades the areas of trends for this measure came as follows<sup>(13)</sup>:

**Table n°03:** Directions areas by Lykert

Degree of approval	Weighted average range
Not strongly agreeable	1.79-1.00
disagree	2.59-1.80
neutral	3.39-2.60
Agree(ok)	4.19-3.40
Strongly agree	5-4.20

**Source:** Walid Abdul Rahman Khalid Al-Farra, Analysis of questionnaire data using statistical program spss, World Symposium for Islamic Youth, Shaaban 1430H, p. 26.

The researcher used the following statistical methods:

- Repetitive distributions of study variables in each axis;

- Descriptive statistics of hypotheses and weighted averages questions;
- One Way Anova single contrast test.
- One sample T- test

#### 4. Results and analysis of statistical study:

**4.1. Analysis of the general characteristics of the study sample:** about the general characteristics of the study sample, it turns out that:

- Regarding the distribution of the study sample by educational level, most of the members of the sample have a university level of 70.9%, followed by the proportion of those with a postgraduate level of 16.4%.
- About the distribution of the sample study by the number of years of experience, most employees have experienced less than 05 years at 30.9%, followed by the proportion of employees with work experience ranging from 05 years to 10 years by 25%, followed by an experience category for more than 15 years at 23.5%.
- Concerning the administrative positions of the study sample, the majority of them were divided between different positions (tasked with studying the loan file, assigned to studies, assistant in the collection, in charge of file studies, administrative assistant, accountant, etc.) By 49.1%, these positions are held by most employees and are in high demand in the banking operating market, while the position of head of the department came in second place with 27.3%, while the rest of the positions were distributed among the rest of the sample members from the director, deputy director and head of the branch.

**4.2. Analysis of the opinions of the study sample about the phrases of each axis of the second part:**

**Table n° 04:** Shows the results of the study sample with regard to the diagnosis of the current state of the banking system in Algeria

rank	result	Standard deviation	Weighted average	Total number	variable
07	Neutral	1,317	2,93	55	The absence of competition between public and private banks
05	neutral	1,100	3,11	55	Weak banking density (ratio of branch number of population)
01	agree	1,075	3,75	55	Weak and less use of

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					<b>modern technology in algerian banks</b>
04	neutral	1,230	3,31	55	<b>Limited services and limited quality services provided by banks</b>
03	Not agree	1,147	2,38	55	<b>The weak efficiency of workers in providing services and absence of their innovative spirit</b>
02	agree	0,932	3,73	55	<b>Poor staff training allocations</b>
06	Not agree	1,184	2,53	55	<b>Lack of banking awareness among the employees of the algerian banks</b>
<b>neutral</b>		<b>,661</b>	<b>3,10</b>	<b>55</b>	<b>Result of the first axis</b>

**Source:** Prepared by the researcher based on the outputs of the program spss.v.25

It is clear from the table above that: the sample of the study in its diagnosis of the current state of the banking system agreed that it is characterized by weak use of modern technology in the banking field. Where it came with approval by 49.1%, which is the highest percentage of answers about this phrase, and the disapproval rate is strongly 23.6%, the weighted average came with 3.75 and a standard deviation of 1.075, and the weighted average for this paragraph is in the category (3.40-4.19). Ok: This variable contributes according to the opinions of the sample of the study in the diagnosis of the current status of the Algerian banking system.

In addition to the poor allocation of training of workers, the approval rate was 60%, and the disapproval rate was strongly 14.5%, and the weighted average of answers for this phrase was 3.73 and falls into the category (3.40-4.19): ok and this variable plays a role in diagnosing the current situation of Algerian banks.

**Table n° 05:** Shows the results of the study sample on possible positive repercussions if Algeria implements the Agreement on The Liberalization of Services

<b>Rank</b>	<b>Result</b>	<b>Standard deviation</b>	<b>Weighted average</b>	<b>Total number</b>	<b>variable</b>
03	Agree	0,881	4,04	55	<b>Motivating national banks to develop and improve</b>

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					<b>their services</b>
02	Agree	0,769	4,04	55	<b>Technology transfer in banking practices</b>
05	Agree	0,981	3,96	55	<b>Benefiting from foreign expertise in the banking sector</b>
04	Agree	0,838	3,96	55	<b>Revitalizing the local financial services market</b>
07	Agree	0,975	3,42	55	<b>Decreased costs of local financial services</b>
06	Agree	0,868	3,64	55	<b>Local banks help to conduct comprehensive banking</b>
01	Agree	0,988	4,07	55	<b>Raising the level of risk management in order to face banking crises</b>
	<b>Agree</b>	<b>,53385</b>	<b>3,8753</b>	<b>55</b>	<b>Result of the second axis</b>

**Source:** Prepared by the researcher based on the outputs of the program spss.v.25

We note through table 04: the sample of the study approved all the statements proposed by the researcher regarding the possible positive repercussions in the case of Algeria's application of the Agreement on the Liberalization of Financial Services since if the agreement is signed, this will contribute to raising the level of risk management in banks, which was demonstrated by the answers to this phrase, the approval rate came at 40% with a weighted average of 4.07, and will work to transfer the modern technology that the Algerian banking system lacks (approval ratio of 52.7%). Which stimulates the development of services (60% approval). The implementation of the agreement will bring foreign expertise inward to benefit from in many magazines, such as comprehensive banking, whose application leads to competitive advantage and reduced costs of financial services . In general, the opinions of the sample of the study on the terms of the second eraser were positive as a whole with a weighted average of 3.87 and it falls in the field (3.40-4.19): ok, which indicates that if Algeria implements the agreement on the liberalization of services, it will have positive repercussions, according to the opinions of employees in the banks.

**Table n°06:** Shows the results of the study sample on possible negative

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repercussions if Algeria implements the agreement on the liberalization of services

Rank	Result	Standard deviation	Weighted average	Total number	Variable
03	Agree	1,136	3,53	55	<b>The inability of algerian banks to face foreign competitin</b>
06	Neutral	1,123	3,13	55	<b>The weak ability of algerian banks to reduce the cost of banking services</b>
02	Agree	1,142	3,75	55	<b>The weak ability of algerian banks to open branches abroad</b>
04	Agree	1,068	3,45	55	<b>The presence of foriegn banks moves money abroad</b>
05	Neutral	1,088	3,24	55	<b>Small and weak banks exit the banking market</b>
01	Agree	1,007	3,80	55	<b>Weak local banking expertise compared to foreign expertise</b>
<b>Agree</b>		<b>,64204</b>	<b>3,4818</b>	<b>55</b>	<b>Result of the third axis</b>

**Source:** Prepared by the researcher based on the outputs of the program spss.v.25

From the previous table it is clear that if the agreement is implemented, Algeria will face a range of challenges (negative repercussions) which are primarily the weakness of the experiences of local banks compared to foreign banks, where the sample of the study agreed to this by 58.2% with a weighted average of 3.80. In addition to that this will not allow local banks to open branches abroad, which is indicated by the results with an approval rate of 43.6%, so the money will move abroad as a result of the presence of foreign banks inside ( 47.3%) This is not desirable, especially in the long run, and the liberalization of services will negatively affect small domestic banks, leading to their exit from the banking

market (the answers are ok by 38.2%) Because she won't be able to face competition.

#### 4.3. Contrast analysis (ANOVA) and study of differences related to the impact of general data of researchers on study variables:

➤ **Variable educational level:**

**H0:** There are no significant differences in the moral significance of The Aerial (diagnosis of the current state of the banking system in Algeria and the potential positive and negative repercussions on Algerian banks in the event of the implementation of the Trade in Services Trade Agreement) depending on the educational level of employees in the banking sector.

**Table n° 07:** Results of the application of one Way Anova for the relative importance of each study axis depending on the educational level:

ANOVA						
Semantics	f	Medium square	Degree of freedom	Total squares	Status	Axis
0,264	1,365	0,584	3	1,752	Between groups	Axis 1
0,859	0,252	0,075	3	,225	Between groups	Axis 2
0,282	1,308	0,530	3	1,591	Between groups	Axis 3

**Source:** Prepared by the researcher based on the outputs of the program spss.v.25 From the table above:

- The value of the contrast function for the first axis is ( $f=1.365$ ), with a degree of freedom 03 and a moral indication  $sig=.064$ , which is greater than the calculation ( $\alpha=0.05$ ), and therefore we accept the zero hypothesis i.e. there are no differences of moral significance to the current diagnostic axis of the banking system in Algeria depending on the educational level according to the opinions of employees in Algerian banks.
- The value of the contrast function for the second axis is ( $F=0.252$ ) with a degree of freedom 3 and a moral indication  $sig=0.859$  which is more valuable than the calculation ( $\alpha=0.05$ ), if we accept the zero hypotheses there are no differences of moral significance to the axis of potential positive repercussions on Algerian banks if the FTA is applied in services according to the

educational level according to the opinions of employees in Algerian banks.

- The value of the contrast function for the third axis is ( $F=1.308$ ) with a degree of freedom 3 and a moral significance  $\text{sig}=0.282$  which is a value greater than the calculation ( $\alpha=0.05$ ), if we accept the zero hypotheses there are no differences of moral significance to the axis of possible negative repercussions on Algerian banks if the FTA is applied in services according to the educational level according to the employee's opinion in Algerian banks.

➤ **Variable number of years of experience**

**H0:** There are no significant differences in the impact of both (diagnosis of the current state of the banking system in Algeria and the potential positive and negative repercussions on Algerian banks in the event of the implementation of the FTA) depending on the number of years of experience of employees in the banking sector.

**Table n°08:** Results of the application of one Way Anova for the relative importance of each study axis depending on the number of years of experience

ANOVA						
Semantics	f	Medium square	Degree of freedom	Total squares	Status	Axis
0,400	1,001	0,437	3	1,311	Between groups	Axis 1
0,186	1,666	0,458	3	1,374	Between groups	Axis 2
0,109	2,121	0,823	3	2,469	Between groups	Axis 3

**Source:** Prepared by the researcher based on the outputs of the program spss.v.25  
Analysis of the results of the contrast analysis showed that :

- The value of the contrast function for the first axis is  $f=1.001$ , with a degree of freedom 03 and a moral significance  $\text{sig}=0.4$ , which is greater than the calculation ( $\text{sig}=0.05$ ), and therefore we accept the zero-point dissonance of H0 there are no differences of moral significance for the diagnosis of the current state of the banking system in Algeria depending on the number of years of experience of employees in the banking sector.
- The value of the contrast function for the second axis was  $f=1.66$  with a degree of freedom 3 and a moral significance  $\text{sig}=0.186$  which is greater than the calculation ( $\text{sig}=0.05$ ), and therefore we accept the zero hypothesis, i.e.

there are no differences of moral significance to the axis of potential positive repercussions on Algerian banks in the case of the application of the Trade Liberalization Agreement in services depending on the number of years of experience of employees in the banking sector.

- The contrast value of the third axis is  $f=2.121$  with a degree of freedom 3 and a moral significance  $sig=0.109$  which is greater than the calculation  $sig=0.05$ , and therefore we accept the zero hypotheses there are no significant differences of moral significance to the axis of possible negative repercussions on Algerian banks if the trade liberalization agreement in services is applied depending on the number of years of experience of employees in the banking sector.

➤ **Variable position management of the post**

**H0:** There are no differences of moral significance for The Aerial (diagnosis of the current state of the banking system in Algeria and the potential positive and negative repercussions on Algerian banks in the event of the implementation of the Trade-In Services Trade Agreement) depending on the administrative position of the employees in the banking sector.

**Table n°09:** Results of the application of one Way Anova for the relative importance of each study axis by the administrative position of the post

ANOVA						
semantics	f	Medium squares	Degree of freedom	Total squares	Staus	Axis
0,523	0,813	0,360	4	1,439	Between groups	<b>Axis 1</b>
0,552	0,767	0,222	4	,890	Between groups	<b>Axis 2</b>
0,701	0,548	0,234	4	,935	Between groups	<b>Axis 3</b>

**Source:** Prepared by the researcher based on the outputs of the program spss.v.25

The results of the contrast analysis showed that :

- The value of the contrast function for the first axis is  $f=0.813$  with a degree of freedom 4 and a moral indication  $sig=0.523$  which is less than the calculation 0.05, and therefore we accept the zero hypotheses: i.e. there are no significant differences of moral significance for the diagnosis of the current state of the banking system in Algeria depending on the administrative position of the

employees in the banking sector.

- The value of the contrast function for the second axis is  $f=0.767$  with a degree of freedom 4 and a moral indication  $\text{sig}=0.552$  which is greater than the calculation 0.05, and therefore we accept the zero hypotheses: there are no significant differences of moral significance for the axis of potential positive repercussions on Algerian banks if the trade liberalization agreement is applied in services according to the administrative position of the employees in the banking sector.
- The contrast function of the third axis is  $f=0.548$  and the degree of freedom 4, a moral indication  $\text{sig}=0.701$  which is greater than the calculation ( $\text{sig}=0.05$ ) we accept the zero hypotheses: there are no differences of moral significance to the axis of potential negative repercussions on Algerian banks in the case of the application of the Trade Liberalization Agreement in services depending on the administrative position of the employees in the banking sector.

## 5. CONCLUSION

Through this paper we tried to highlight the most important effects (implications) that result from the liberalization of financial services trade on the Algerian banking sector, so we conducted an analytical application study on public banks in The city of Sidi Bel Abbas, which is a sample representing banks operating in Algeria, and we have reached the following conclusions:

- ✓ The Algerian banking sector continues to suffer from many obstacles and problems that can limit its effective benefits from the benefits of the agreement, including significant control of the banking system by public sector companies, government interventions, and weak competition between public and private sector companies (domestic and foreign). The lack of a legal environment allows for the realization of the MFN principle, which achieves non-discrimination between foreign and domestic service providers.
- ✓ With regard to the diagnosis of the current state of the Algerian banking system, Algerian banks are characterized by weak and low use of modern technology in the first place, then the poor provision for the training of workers and the limited services provided by banks and their low quality.
- ✓ If Algeria implements the Agreement on trade liberalization in financial services, it will motivate national banks to develop and improve their services. It will contribute to the transfer of technology in the field of

banking practices. It will also raise the level of risk management in order to meet banking crises and stimulate its domestic market, and the implementation of the agreement will bring foreign expertise inward to benefit from it in many areas such as comprehensive banking business, whose application leads to gaining competitive advantage and reducing the costs of financial services.

- ✓ The implementation of the agreement to liberalize services will have consequences for Algerian banks, which will have a negative impact, as it will lead to a weakening of local banking expertise compared to foreign experiences and Algerian banks are unable to open branches abroad, and Algerian banks will not be able to face foreign competition.

Therefore, in light of our findings, proposals that could enhance the competitiveness of the Algerian banking sector can be presented:

ü, Continue reforms because Algerian banks will enter the competition in a difficult situation and therefore cannot withstand and stay in the market due to their limited capabilities and services and poor performance levels, especially if we know that the number of services provided by international banks is more than 260 services while the number of bank services provided by developing countries at best does not exceed 40 services.

ü Opening up more space for the domestic and foreign private sector to work side by side with the public sector and ensure transparent competition, and to benefit from the experiences of countries, in Algeria, we note that foreign banks as an institution in their own does not exist, but are represented by the existence of branches.

ü Attempting to gradually liberalize the banking sector in the light of global trends in order to enable this sector to keep pace with developments and bring it into competition little by little .

ü Moving towards comprehensive banks and banking mergers, in order to diversify the services provided and take advantage of the economies of scale offered by mergers .

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