

# THE INFLUENCE OF GLOBAL BANK REGULATION ON CHANGING TRENDS IN EDUCATION

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## Abstract

Economic education must respect progressive globalization and its impact on the economic environment, including financial services. Extensive discussions take place on the question of the adequacy bank regulation. The presented text analyzes the scholarly texts in the first part dealing with the effects of globalization on education trends and identifies the interest of authors of newly published articles on the relations between the regulation of financial markets, the economic effects of globalization and their relation to the content of economic education. In the methodological part the authors present their choice of analytical research methods. The subject of the research is the analysis of the number of new laws accepted in years and the subsequent discussion about their influence on selected economics, i.e. the economy of the Czech Republic. The authors come to the conclusion that regulation to the extent implemented in the EU can be beneficial, but it is expensive and ties up the banking business. As a result of the global regulation of financial markets, there is also a change in the current trends in education. Increasing volume and accelerating changes in the financial markets are becoming more and more difficult to teach by traditional methods with traditional textbooks. According to the authors, the trend hinges on the intensive use of electronic forms of study materials and the systematic use of trusted internet resources by students.

Keywords: Economic, Education, Regulation, Economic Impact of Globalization.

## 1 INTRODUCTION

We live at an information boom that cannot stop and no one wants to stop. The moment when the market environment has passed from the "slow" phase to the "fast" phase of change can be found in the nineties of 20<sup>th</sup> century. The main features of the rapid phase are the shortening of innovation cycles of products and services. Simultaneously with the speed of change, the volume, complexity and complexity of change is increasing. We are increasingly dependent on quality information and the possibility of verifying its truth quickly and easily. Educational systems are not increasingly meeting the needs of current trends in global society. Education must be seen as a permanent, lifelong process. It is not simply enough to transfer knowledge to university students, but there is a need to develop active approaches to study. One of the possible solutions to how to develop and equip university students with quality and up-to-date information is discussed in the present text.

## 2 BIBLIOGRAPHIC SOURCES

Developing an active approach to the study according to the authors is necessary because the basic foundation of knowledge needed to understand processes in the financial markets, is approaching the new dimension, the dimension of expanding regulation. This created a rather complex topic, which the authors of the submitted paper decided to analyze. They have decided to examine the hypothesis that regulatory processes in the financial markets are expanding and to suggest a better way of university teaching than existing. There have not been a large number of key articles recently published on this research goal. But one can find articles on the theme of regulation and articles on the theme of education.

Discussion on the rapid structural changes in the economy and regulation deals with in his article Mertl [1]. Specifically, financial market regulation was dealt with by Smart [2], which published the article "The Financial Education of the Eurozone". He outlines how the European-level supervision and regulation of banks and capital markets have significantly strengthened the currency union and urges further progress on these reforms as the best hope for further progress during the current populist moment. Capital markets and businesses are linked to rating. The question of strengthening the regulation of credit rating agencies is done by Kotěšovcová [3].

An interesting approach to education was seen at the INTED 2014 conference, where Downes [4] presented one of the options for moving from traditional learning through lectures to self-study using massive open online courses (MOOCs) based on searching for relevant information in technical infrastructures of the Internet.

In 2016, KING, SRIVASTAV and WILLIAMS [5] published the topic of banking education and their findings suggest that management education delivers skills enabling CEOs to manage increasingly large and complex banking firms and achieve successful performance. Thus, the published texts did not provide a clear guide to the research on how to adapt banking education to rapid changes in the economy and, above all, to changes in the regulation of financial markets.

### **3 SUBJECT MATTER AND METHODOLOGY**

The first research problem was to determine whether there is indeed a significant push of new legislation on the quantity and quality of information, knowledge and skills that should carry a graduate of the University after graduation to practice.

In the event that the rapid growth of the quantity of information resulting from the new and new legislation is confirmed, proposals for solutions, namely proposals for changes in the curricula of economic universities, should be made. Reflection on the consequences of legislative changes on teaching is the subject of the presented text.

#### **3.1 Quantity of information produced by the legislative process**

The intuitive feeling of the authors of this text has indicated that the number of new laws is growing rapidly. They concluded that to explore dynamic phenomena in time can, as indicated Wonnacott [6], using time series. The time series is a sequence of observations of quantitative characteristics, and these observations are organized from time past to present. They are of fundamental importance for analyzing the causes of these phenomena and influencing their behavior in the past, as well as for anticipating their future development. For interval time series of indicators, the size proportionally depends on the selected interval length. Time series of derived characteristics are derived on the basis of absolute instantaneous or interval data.

Most often, when analyzing the time series, an additive model of behavior describing is assumed. It is assumed that each component of development is summed up so that:

$$y_t = T_t + S_t + C_t + \varepsilon_t,$$

Trendy, seasonal, cyclical and random folders appear on the right side of the line. Different model modifications arise when we drop a component of the reasoning. We will do so for the cyclical component and say only the random component that it is usually assumed that their mean values are zero and that they are correlatively independent (a random failure, as well as the random component cannot be interpreted, is independent of the fault at the last moment or does not affect the occurrence and magnitude of the failure at the next moment).

#### **3.2 Finding a solution path**

One of the favorite methods in pedagogical research is a questionnaire survey. It appears to be an effective tool for data collecting in pedagogical research on preferred study materials, because it allows relatively rapid collection and processing of data from a large number of respondents, Chráska [7]. In the following, the questionnaire is characterized as "a set of pre-prepared and carefully formulated questions that are sophisticated and which the respondent answers in writing." The form of the questionnaire survey was also used by authors of contributions published in the Czech Republic (eg. Mlýnková and Benedetti [8] or Fialová [9]).

Universities often use the questionnaire survey method to optimize information about learners' needs. One of the interesting articles was published by Visser-Wijnveen, van der Rijst and van Driel [10]. They produced a questionnaire that was distributed to students from five different college courses at one of the universities in the Netherlands. The correlation between the assessment of the course quality by learners and their conviction about the importance of research for teaching was examined. Therefore, the questionnaire survey method - a quantitative approach - was chosen to collect data on preferred study materials.

For the submitted text, only a question on preferred study materials was used from a larger questionnaire filled in by respondents. Respondents were explicitly asked to mark more options. The questionnaire was anonymous; respondents only surveyed basic characteristics for processing needs - age and gender. Age and gender issues were based on a theoretical concept that the respondent may be either male or female and are of an age that falls within one of the defined bands. Downey Theories [11].

The obtained data, which is the basis for the submitted contribution, was processed by statistical methods. After completing the collection of completed questionnaires, the responses found were converted to Microsoft Excel, where data was further analyzed in the form of tables. Downey [11] defines a related theory - the frequency of the occurrence of a certain phenomenon, namely the absolute frequency and the relative frequency. For each of the questions, the absolute frequency of valid answers ( $N_i$ ) and the proportion of valid answers for each of the questions whose number is "i", i.e. the relative frequency:

$$p_i = N_i / \sum N_i$$

where "i" indicates the question number (order).

The tables can display absolute and relative frequencies, and charts created from them can be used to provide a clear visualization of responses, among others, for the purpose of presenting results. For use in the present text, however, the authors will only use the key results of the questionnaire survey. Among other things, they also used the findings from the author's book Otipka and Šmajstrla [12].

## 4 RESULTS

Two laws important for the financial market in the Czech Republic were chosen for analysis. These were the Banking Act and the Capital Market Business Act.

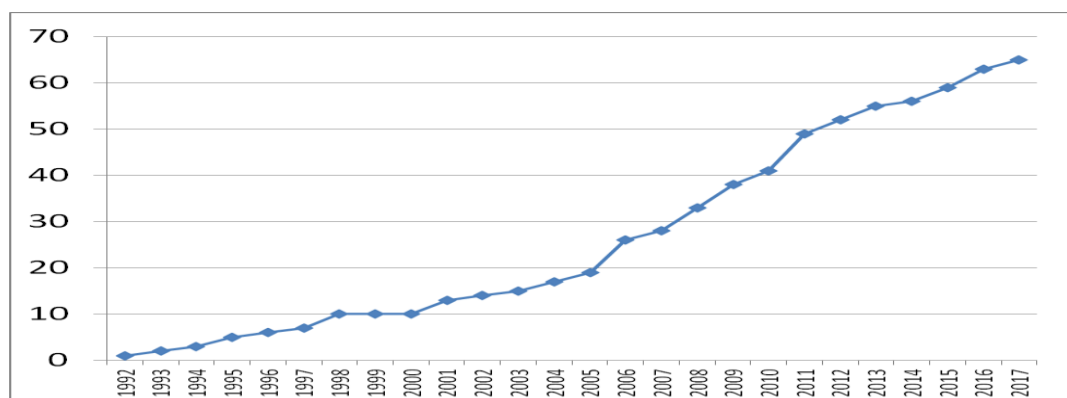


Figure 1. Evolution of the number of new versions of the Act on Banks approved in different years.

Source: own calculations

An analysis of the number of valid versions of the Banking Act revealed that in the past twenty four years, the Banking Act was changed on average 2.60 times a year. The increase is shown in Fig. 1.

The Capital Market Business Act has been changed 3.08 times a year over the past thirteen years. The overall partial increases in individual years and the overall increase are shown in Fig 2.

The research team closely monitors developments in the financial market regulation. The two selected laws, which are analyzed in the present text, need to be understood as a sample. It should be borne in mind that some measures enhancing fiscal and macroeconomic discipline have been adopted within the framework of EU legislation, while the other, a related content then in the form of an intergovernmental agreement.

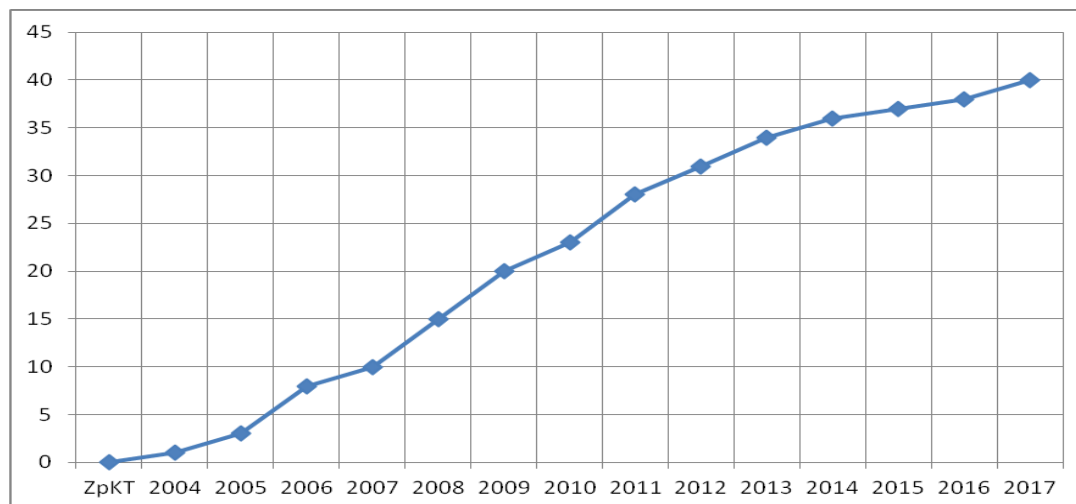


Figure 2. Development in the number of new texts of the Capital Market Business Act approved in different years.

Source: own calculations

In December 2017, the European Commission published a set of documents collectively called "Further steps towards the completion of the European Monetary Union". It is a plan and a document called roadmap, which in this context is no longer the mere parametric change, but goes so far that the proposals contained therein can be described as systemic change. The reasoning (hypothesis) of the authors that the new legislation has grown considerably has proved to be true.

## 5 DISCUSSIONS

### 5.1 The future - new legislation

In the case of the latest set of measures in December may be the case for all the proposed steps to declare that they are aggressive and offensive comments in the right direction. Possible criticism could be the complaint that some are already fully matched and fully prepared for legislative and then executive grip, in a minority of other cases (mainly concerning the stabilization function), we are still talking in categories of poorly graspable amorphous nebulae. The proposed measures are to be given in life, so that results can be seen in the 2025 horizon.

### 5.2 Results of student preference research

From the questionnaire survey among students of two universities in Prague, the Czech Republic indicates that students prefer books and other printed materials in particular. In the questionnaire, this option was selected 72 times. This means that out of a total of 229 responses marked by respondents it was more than 31%, and if the number of answers corresponds to the number of correctly filled questionnaires, the relative frequency is almost 80%.

The questionnaire survey showed that 65 respondents replied that as the most preferred form of study materials PowerPoint presentations. This result means that out of a total of 229 valid answers this was more than 28%, and if the number of answers corresponds to the number of correctly filled questionnaires, the relative frequency is over 71%. Presentation gives students a fairly clear and relatively brief outline of teaching. Often the students have presentations available prior to the commencement of full-time teaching and its printed version can complement their own notes. At the same time it allows to unite the advantages of computer aided instruction with traditional lectures.

In 39 responses, respondents (students) stated that they prefer notably their notes and similar preferences have on-line publications. In both cases, out of a total of 229 valid responses, the relative frequency was 17%, and if the number of responses is based on the number of respondents, the relative frequency is almost 43% in both cases. From the teacher's point of view, it is a very effective way of learning because writing his own notes keeps the student's attention and focus on

interpretation during teaching, writing (especially handwriting) positively influences memorization and searching in on-line texts solves the coherence of the theory lectured with the news in specialization. The last two places are videos and animated presentations, as well as video lectures of experts. In both universities there are relatively few ways of computer aided teaching, which can partly justify low preferences.

## 6 CONCLUSIONS

The questionnaire survey has shown that both students and national authorities who approve training programs at universities are in agreement with the need for teachers to write textbooks. But the process of their creation must be much more flexible. A larger share of e-books can be a good partial solution to the problem of simplifying and accelerating information flows.

However, the link between the results of the two above-mentioned studies has revealed another conclusion that can be considered more important. Instead of memorizing and abstract theorizing, the education program (approved by the national authority) and the teacher must provide a space for the student to search for the necessary information on the internet, sort it and evaluate it. Because that's a way how they will work with knowledge after graduation. The aim is not mastering the technology, but the ability to handle the analysis of data from multiple sites and critically interpret texts. Self-study using primary legal information can only be a supplement to traditional teaching, since the contact between teacher and the student cannot be replaced even by the best technology.

The research conclusions presented in this paper are as follows:

- It is impossible to respond to the impact of policy decisions (such as presenting new legislation) on any printed publication.
- At the same time, it is also necessary for the teachers to write professional publications in the form of comprehensive professional publications, but it should be a publication in digital form, which is cheaper to make it more flexible than traditional printing.
- Regarding legislation and other relevant and often amended documents for a given discipline, students should be taught to work directly with them. To teach them to draw knowledge from the pages of the Czech National Bank, Ministry of Financial Czech Republic, the European Central Bank as well as the major European financial institutions.
- It is necessary for the students themselves to search for information on the Internet, classify and evaluate them. Because this is the way how they will work with knowledge after finishing university, how to get them and how they will benefit the latest findings.

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