Public Banking Do Contract

Sohil Zafar[1] and Yong TAN[2]

Abstract

It is understood that for ownership status, it does affect performance and growth in an economy in terms of efficiency. Squeeze excitement and changes in management in ownership effect performance and productivity. For state owned banks there is inconclusive arguments need researchers to bring more evidences in contract theory. Putting simply, it turns out an individual banking, operational learning, forwarding and asset management albeit allocation of resources, of course state bank of Pakistan need to bring more data from banks and its availability to researchers and policy makers. Public banking is globally accepted for strong governance such that any unit not performing well could be undertaken to rule out on part of government. However, it is not globally recognised. In some countries government ownership is crucial part of working for having a balance in social and economic objective.

Key words: Public Banking, Efficiency, Regulations, Contract

Introduction

In Pakistan, public servants are staffed by banking professionals depleting high salaried individuals to cope with international banking. This management is different than city management invoke political front with non-banking staff. In governing structure there are several models of governance might process to establish governance structure. There is also super governmental agencies and contracts and cooperation in priority for the local bodies protected from political influences. Provided, implement government policies public banking pave the way to work though. The need is tremendously full filled when it is matter of redistribution of wealth and income. That is a balanced economy a need to employ effective resources. In developing countries substitute ability of labor which further support in favour of do more people employed. Reforms in banking, increase government in banking enable greater control over the employment policies and creation of finance for stability purposes, all go through contract. It turns out one sided theory of foreign or private working is never acceptable contracts for having open arms to reform in grey area and take part though several operations in core government undertakings. In literature need for strong public banking play significant role in establishing contracts for growth and development of the country Levine (1997) Gertler (1998) Well functioning markets play vital role with in good governance for growth and development of the country more a causality run from finance to growth King and Levine (1997) Levine and Sara (1998) Beck et al (1999) Levine et al (1999). This means that in public banking finding new functional markets is a core determinant identifying local project based development. In essence of public banking it more a contract a number of research articles measure efficiency in banking Burki et al (2004) Alchian and Demsetz (1972) Andries and Cocris (2010) Ataullah, Cockrell and Le (2004) Barth, Caprio and Levine (2004) Berger and DeYoung (1997) Bonin, Hasan and Wachtel (2005) Boubakri

[1] *Ph. D Scholar (Migration), Kashmir Institute of Economics, University of Azad Jammu and Kashmir. Email: sohail.zafar@iiu.edu.pk*

[2] *Senior Lecturer, The University of Huddersfield, UK.*

et al (2005) Baradaran (2014) Brealey (2001) Buch (1997) Caprio and Klingebiel (1996) Casu and Molyneux (2003) Claessens and Laeven (2005) Das (1997) Fama and Jensen (1983) Fiordelisi, Marqués-Ibanez and Molyneux (2011) Fries and Taci (2005) Hardy and Patti (2005) Hart (1988) Iimi (2004) Irfan (2008) Janjua and Malik (2011) Jensen and Meckling (1979) Joshi and Little (1996) Karim (2003) Karim and Jhantasana (2005) Karim, Chan and Hassan (2010) Kiani (2005) Lindgren et al (1996) Matousek and Taci (2005) Megginson (2005) Mohan and Subhash (2004) Munir et al (2012) Muller and Warneryd (2001) Qayyum, Khan and Ghani (2006) Reddy (1992) Shabbir and Burki (2014) Shepherd (1989) Shepherd (1989) Shleifer and Vishny (1986) State Bank of Pakistan (2012) Thomsen and Pedersen (1998) Tirole (1992) Vernon (1979) Weill (2003).

Public Ownership

In the meaning of ownership, researchers go through main objectives, own for a high share in market value, contract and managers in terms of power and utilities. Jesnen and Meckling (1979) took ownership as a part of production function, productive resources, technology in survival of fittest. To distinguish in between ownership structure is central in performance in banking industry. This could be due to industrial complexity, asymmetric information and high regulation. As pointed out by Barth et al (2004) and Weill (2003). It is utmost important to walk through governing for a suitable type of ownership such as to Fama and Jensen (1983) deplete agency costs. The role of privatization is also an important factor to consider in this stanza. A common division is foreign, private and public banks. In thin area out of these categories pubic ownership could be decomposed in concentrated and dispersed ownership group on the slandered of withholding shares of course up to date. Literature high light in terms of the effect of ownership structure, its penetration in performance of the bank doing in mainly grey part of governance. Shareholders domestic and foreign are pretty smooth source stipulate category of ownership in Pakistan mostly remain in deficiencies of studies to date. For example, studies done are documented by Buch (1997) Baubakri et al (2005) Barth et al (2004) Megginson (2005) Bonin et al (2005) furthermore particularly studies finding direct relationship between own and efficiency.

In ownership structure and bank performance it remains in grey area to answer efficiency and there it still remains. However public banks prove to be a source of efficiency in developing countries mostly providing services to small and medium size enterprises. It also encounters foreign banks in developing country not to take way all parts of financial sector including bliss. This serves as a major source of existence for government own do contract. In terms of allocation of credit Vernon (1979) in developing nations, ownership further be classified as public, foreign, personal family or majority own, dispersed own, subsidy of multinational, co-operatives Thomsen and Perdersen (1998). Here personal or family majority own, refer to rights especially voting rights in holding share to date. Hart (1988) view is worth mention not in favour of majority own right govern, but to managers for it does they might foreigner, live in other countries operate bank. Managers do have better understanding and availability, access to resources and understanding. This let him draw conclusion its crucial curb information asymmetries between company and outside owners. See table follows own in Pakistan.

Table: 1
List of Public Banks in Pakistan

No.	Name	Year Est
1.	National Bank of Pakistan[a]	1949
2.	Sindh Bank[b]	2010
3.	First Woman Bank	1989
4.	The Bank of Punjab	1989
5.	The Bank of Khyber	1991

a: Largest state owned bank.
b: Listed Public Sector Bank in the year 2010.
c: Source Munir et al. (2012)

Voting majority exceed for foreigners it names as foreign owned the clause of own found in Weill (2003) having large economies of scale due to intensive research and development. Every government in developing countries extend co-operation for having foreign investment there emerge new cultural financial systems. Of course new technology and new strategies from new culture to show some new to the people have surprise how it works where it gets efficiency standards. Incredible uplift turns focus of others to look at foreign banks. A clause of public ownership is commonly referred as national or government own majority company see table 1 for Pakistan.

Evidence in the study of Qayyum et al (2006) suggest that average spread of interest rate fluctuate not mentioning a source of distortion, however share of big banks decline over time. It turns out giving more towards spread of foreign banks larger then public banks Kiani (2005) an average spread of big foreign banks higher than domestic own banks. However, this comprises some part of whole spread representing some part not put on efficiency standards. Mergers of domestic and foreign banks boost efficiency for it not only get return on scale but to show unique standards. In terms of Shepherd (1989) it mostly to overcome market characteristics not in favour of merged ones suppose externalities, monopoly power penetration, leading to wake to give up for some new adopted standards governed by foreigners a source of development. Another characteristic is well recognized in developing countries for Zari Taraqiati Bank (ZTB) that care low income earning. This type of financing government to get output to up lift Tirole (1992) poor and uneducated farmers take part in county production, a strategy could be one window operation reduce competition, reach out, reduce input price.

Inside and outside shareholders and Standards of managers begin with power, status and security such as act of harm Shleifer and Vishny (1986) for utility maximisation based on self-interests. This clearly shows to take interests of managers in account and their future goals, more facilities and strong incentive oriented environment. According to Alchian and Demsetz (1972) partnership some time cause free ride problem even a share of firm or company consuming additional marketable sources. Therefore, it is vital for outsiders Muller and Warneryd (2001) to take part to increase performance and cash flows well-adjusted and ruled out residuals which need to distribute surplus to provide evidence for existence of right disbursement of surplus. In equilibrium outland investors to be able to extract least part of

surplus having rights in residual claims. This improves efficiency standards through allocative efficiency. Never the less with full information system and reduced shared holdings, it is a crucial analysis needs restructuring foreign, private and public own banks. Non the less in thin area foreign banking is an out source and enabling financial services toward domestic markets having high absorb ability to grow. It is believed that managers having inland shareholders keep up hoops either for targeted achievements and pass through strategies governed by government to find out sectors adding inefficiency be replaced or got in order to pack up for new technologies in favour of standardised output input utilization of resources, a way forward for growth and development in managerial strategies.
In core area public versus private ownership and bank efficiency, this is more toward public ownership, examines the arguments usually extended to build a case for privatisation of the public ownership. Putting simply, in the process a few facts are placed in proper perspective to facilitate an informed debate on privatisation that in one time or another has been taken place for several banks in Pakistan in past. It jolts birth to related issues in the banking sector. It turns out it is not correct, for example, to say, as is being alleged in the current literature on the subject that reforms over a decade now have not made any significant improvement in the performance of the public and they are facing a crisis or near crisis situation. In thin area this often repeat criticism of frequent recapitalisation of the nationalised banks Mohan et al. (2004) is based more on perceptions and less on factual analysis. The fiscal burden seems heavy aspect that would appear has been exaggerated. The competition and deficiency issues are generalised not withstanding a few distinctive features of the banking sector often, conclusions are derived by comparing non comparable units. Competition, efficiency and ownership play part, competition enhances efficiency is a terminology globally tested and its significance have been proved for its essence. Firms adjust their operations, maintain profitability and raise efficiency this opens a way out to less efficient firms to leave the industry. Intensity of argument lies in hot core for availability of wrong used resources release efficiency World Bank (2002). Although to achieve standards from strategy of World Bank (2002) it remain in grey area how to cope efficiency for a competitive economy that could lose features to again standards. A thin air area need analysed. Do contract reforms impact and performance. Now standing, the constraints Shabbir and Burki (2014) under which it has to operate. The argument that they cannot improve their performance and there is no option but to privatise has been weakened by the significant improvement these banks have shown in almost all the performance indicators during the last six years or so when major reform measures have been initiated or implemented. The up and down movement of recapitalisation and efficiency an overview of reforms in financial sector, its impact towards public may be of use before assessing the change in the performance of the nationalised banks, on which are targeted by the proponents of privatisation.

Do Contract; Debate on Privatisation

Public banking in Pakistan needs to serve the public interests rather than private bodies. To ensure transparency evolved new governing steps accountability how bank manages invest through. It is keeping in view the mission of the bank if need a revision collection of contracts from community. Methodology could be though a regular inspection review and process of administrative code compliance and friendly in bank policies and quarterly reporting with new offers to owe contracts. Board of governors ensure investment practices for a sound financial management personal and professional integrity most toward need of community at best taking in full confidence foreign and private banking.

The debate on privatisation of public gets through high onset government reforms. For an illustration on release government liberalize process in Indian economy in 1991. A hard core issue for privatization of public banks. Here it is not merited so much to encounter Committee of Financial System. Narasimham Committee. In November 1991 perhaps because at that time the urgency and priority was to revive the system. The committee, therefore, observed that integrity and autonomy of functioning of banks and direct foreign investments is in our view by far the more relevant issue than ownership. A deeper look at cross country comparison and individual banking is needed for there are stipulations suppose in India on stimulus how many are the branches of State Bank of India? These Issues of competitive efficiency Shabbir and Burki (2014) and profitability are in this sense, ownership neutral. Being a part of the macroeconomic reform programme the financial sector reforms process in its initial stage could not have assigned priority to Baradaran (2014) the issue of ownership. The privatisation trends in financial sector have to be viewed basically as a part of macroeconomic reform. It ensures the appropriate regulatory framework to enhance competition, making ownership a secondary issue Reddy (1992). Almost mid-way through the decade of reforms process Joshi and Little (1996) had evidence that empirical support for privatisation in banking is especially strongly recommended as it is evident for having public ownership has virtually triggered the management efficiency of banks due to political and administrative interference in the allocation of credit. It turns out to get efficiency ends not from futile technology but through autonomy within public own. It emerges new system for having privatization rather than go through reform and restructuring in sick ownership from governance or vice versa in case of Pakistan.

Primarily it turns out, first effort of having financial system operated in the form of banks, was rather fragile. At present it faces lots of challenges despite a cruel regulation structure and supervision through governance and even then getting into a situation of crisis. Out from the core, in 1980 more than 130 countries do experience problems of course standing release for governance to stipulate International Monetary Fund members to take this fragility Lindgren et al. (1996) Caprio and Klingebiel (1996). Conflict arise when service takers get superiority in borrowing and funding with availability of deposits entangled with asymmetries of information going on with inputs of the banks. It is herd or crowd behaviour or an aerialist activity less lights and smug. It specifies major cores of contagious information asymmetry to run even a healthy thin area activity. Now standing, contagious run can rune whole financial system of course position all turn to crisis which in turn offset macroeconomic stability. There is serious repercussion, where does volatility stands, a whole, system remains. Where as in financial system Reddy (1992) a wide spread distress emerge as a big joint. Expose with in grey area jolt, is there correlate shocks failure of one bank Brealey (2001) cause failure to another. Further in public sector barely it fails achieve efficiency standards. In addition to all worries a potential contagion there arise issues for public policy and governance strategies. Banking system do not fit in pure definition of public good Irfan (2008) mobilisation for financial resources; provision Lindgren (1996) of payment service in a quasi-public good proportions.

To flesh out, literature on private and public ownership in past effect on bank performance result in inconclusive outcomes in Pakistan. Iimi (2002) took post reform period find inference through stochastic frontier approach rank state owned banks on the basis of efficiency. The study conceals for evidence on reforms in Pakistani banking sector in 1980 the total number of banks stood five. See the count stands in year 2015 in table 3.1 in issues of State Bank of Pakistan. It also provides directions and supervision for banks Ataullah et al (2004) provided by the banking sector. In consequence government's discretionary intervention in the financial sector, development financial institutions and national commercial banks resulted in addition of nonperforming loans within strong governance and regulation. Hardy and Patti (2005) it remained little incentive for banks to operate efficiently. In evidence it not produces deteriorate financial system but reduce convergence through lack of self-esteem and wellbeing a whole. For this kind of government, it not only needs accountability but governance in banking sector reforms. In this kind of activity, it includes, important areas on count "domestic debt, financial liberalization, monetary management, institutional strengthening, foreign exchange, State Bank of Pakistan (2000) capital market and banking laws." Internationally in literature Karim (2003) found public banks less efficient than private banks. Similarly, World Bank (2002) there are evidences on public sector inefficiencies and as the proportion of public sector increases it further at length increase inefficiencies, result in poor growth, distortions in financial structure. Once reason for this could be political ties govern in governance.

Location on Evidence

A decentralised public bank is like towards more public funds and to community of course not investing elsewhere in the world in its working. A public bank can let down debt burden and city expenses bay making local loans at lower mark-up than offered by foreign or global banking such as public works projects. The profit of public banks could the paid to the location of bank to reduce channels of tax collection in favour of people to levy high burden of tax collection but relief invoking a bank of community. A good generation of profitability by cutting down expenditures in establishment and working cause revenue to the public bank it serves to the families by locating project of community welfare such as children scholarships better transport and decentralized community based works. In Public banking in Pakistan bank could participate in working of globally growing banks through guaranteeing and providing services of financial custodian in their community based loanable, credit and support it is an effort to benefit economy such as job creation business development and support for reachable technologies for housing.

In Czeh Republic public private sector efficiency illustration several empirical analyses of the public and private sector efficiency, it refers. In 1990 evidences on banking sector performance gathered in favour of private banks than foreign banks conversely see in this regard study by Bonin et al (2005) providing evidence for foreign own banks more efficient then governed by public in Pakistan a supportive evidence Janjua and Malik (2011) either. Matousek and Taci (2005) found evidences in favour of small banks as more efficient in primary establishments. Weill (2003) found evidence of getting targeted ends on efficiency by following foreign banks in Czech Republic and Poland mostly it emerges in their views from foreign capital. That is a prominent source of finance in banking. Fries and Taci (2005) showed larger share of assets work though reduction of cost raise efficiency. In this regard as private with majority of foreign banks Karim (2005) are most efficient then domestic banks. Andries and Cocris (2010) emphasised need to look at quality of assets, this make through standard by improving lending and non performing loans. Casu and Molyneux

(2003) Shepherd (1989) Fiordelisi et al (2011) found central European countries less efficient then counterpart European Union member states. Czech and Hungarian banking were more efficient than transition countries. On evidence foreign banks more efficiency then other structured. In support of arguments it was further investigated that size of banks matter.
In Argentina, in many ways foreign banking has uprooted inefficiency, they work through many channels for an illustration Argentina banking has been reported in World Bank (2001, 2002). On evidence it shed light past experience of having downsizing accompanied by heavy strong hold on foreign banks in collapse of (2001) strategies have been seen as contributing factor in share of foreign banks in 1994 and 1999 in turn contributed to economic growth. Majority of foreign owned banks increase, domestic credit provided by the banking sector could be one reason reduced during the similar period. Economic growth was lower during 1990s compared to 1980s. To what extent the benefits in terms of boost to economic growth and reduced financial fragility can be attributed to the increased market share, majority of foreign own banks can hardly measure if this is what the international experience shows. In sum reforms help improve performance.
Punting in simply in India decline in efficiency standards for an argument in public banking emanates in the core of perception such as general public sector enterprises. On evidence public banks are less efficient then foreign or private banks. The issue could be clause in two clauses one corresponds to measure and the other about whom own. On display is it government that cause inefficiency? Theoretical aspects of measurement of Indian banking depict progress however, econometric otherwise. In evidence of Das (1997) during the period of 1990-6 overall efficiency exhibit a decline both pure technical efficiency and scale efficiency. In this study financial sector reforms and strategic steps to cope challenges through governance were important factor at disaggregate analysis. The major source of deteriation and inefficiency on evidence emerge from four public sector banks. On evidence provisioning which considerably caused operations as well Das (1997) as profits reflected by surface stocks. An accumulation of non-performing assets prior to 1991-2, moreover, this comes from passing the litmus tests of achieving competitive efficiency a source of establishment, although new standards have been followed in best practices of Claessens and Laeven (2005) foreign banking. To make it straight competition compels use resources in efficient way the optimality brings in standards a way out to scale economies. A main indicator of financial efficiency used in international comparisons is profit after text to total average ratio i.e., going by return to assets.
In accounting, operating performance and bank asset quality, it relates in each other one way or another it affects the standards. Suppose insufficient assets because loanable that in turn add fuel to fire for non-performing loans. One reason for adjusting administrative expenditure in this reason is increase in communication expenditure needed to get collection for non-performing loans. Rise in nonperforming loans Berger and DeYoung (1997) Karim et al. (2010) might form adverse economic activities refers to it as bad luck hypothesis in public banking. Furthermore, higher future costs generated due to lack of information about market. It further need to resolve from top management on contract, itself get involved for enhancing non performing loans adding costs deteriorate bank efficiency in India.

> **Proposition I:** Contracts out of degree of grasp in public banking foster growth and development, out of boundaries of domestic private or foreign banking, a new business with local clauses of business only in higher profitability margins tax payments governance which is otherwise for developed nations.

Proposition II: Public servants are staffed by banking professionals depleting high salaried individuals to cope with international banking and security. A management different than city management invoke political front with non-banking staff to do takaful.

Proposition III: Sharia establishment in new governance technologies, for geographical segment activities is an out sourcing of trust, including national investment trust, long term credit fund, qarz-i-hasna fund do contract structure curb marketing risk such as ‘garar’ and misrepresentations.

In sum, government demand more from bank once it proves failure. There could be a departure in contract. It is taken in supremacy of contract for access to credit, consumer protection safety and soundness. There are several enhancements to get government in confidence. The most important is government ideology for under taking of banks this requires a change in regulatory board. It needs banks to retain profitability for shareholders this cannot be secured by government regulation only of course it could not be attained only with imposition of regulations. Banks might differ in work out if not corporate establishments. This means least state control for modern policy makers is a shift toward more productivity coping with private trends approaching banking industry. This will cause a change in working and attorney with favourable ends in productivity in terms of large banks getting closer to small banks in operations squeezing and putting for favourable ends. In meeting public needs decentralization is known phenomenon in banking reaching to the need of customer excitement. Contract is like black whole kind of thing everything is getting into it without escaping from it. Several measures are undertaken at governing for such as self regulations. Strong regulatory nets stipulate performance openness and working bodies cause bank failure, the trends of sale business and curb on non performing loans, credit creation and opportunities of loanable with a safety net on input utilization demonstrate banks movement on trends of productivity, In secure working with in customer satisfaction more to microfinancing and keeping in view regulatory is all putting in greater length out of grey area. On evidence one reason could be consequences of not taking religiosity mostly in empiricism this is beyond the scope of this paper.

Conclusion

Liberalization and globalization is also entering through many channels when foreign technologies are adopted in domestic banking different cultures effuse to bring in some new to the economy as a whole which is part of innovation and invention not only in allocation of resource on oral but on scale and strategically help in expansion in privatization on the other had work through inland governance of private sector to rule out deficiencies in factor market because it operates on competitive forces. In neoliberal workings it turns out it encourages the restructuring of unprofitable firms for religiosity is hindrance rather a source of efficiency this means policy makers should raise hands in favour of privatization compete globally and improve performance in contract, one finds it useful, on core areas, such as having allocative efficiency and cost structure favourable for the bank. This is to point out neoliberal privatization will change lower quality banking to high quality banking. Squeeze and excitement of achievement is again a policy matter suppose oral contracts of non-performing loans merger, security, credit availability for having the best outcomes for the upward movement of entire system in a one unit or group for being all together is pleasure, for this there are many examples. On the basis of efficiency this article strongly present for public banking do contract there is implicit contract between state and banks it is out of historic rules need of regulations and code on legislative front. The contracts should be on the basis of security nets, access to credit and supremacy of customers. Revising contract is nothing if not innovated with latest developments and need of customers it should be taken in regulatory measures. In regulation on the development of public benefit making a new regulatory to assess the offers from private entities, it protects customers following developed countries in the years to come. The proposals like promotional activities in regulations and public banking to owe contract.

References

- Abid, A. Burki., and Khan, Mehmood-ul-Hassan (2004) Effect of allocative inefficiency on resource allocation and energy substitution in Pakistan's manufacturing, *Journal of Energy Economics*, 26, 371-388.
- Alchian, A. A., and Demsetz, H (1972) Production, information costs, and economic organization, *American Economic Review*, 62, 777-795.
- Andries, A. M., and Cocris, V (2010) A comparative analysis of the efficiency of Romanian banks, *Romanian Journal of Economic Forecasting,* 4, 54-75.
- Ataullah, A., Cockrell, T., and Le, H (2004) Financial liberalization and bank efficiency: A comparative analysis of India and Pakistan, *Applied Economics*, Volume 36, 1915-1924.
- Baradaran, M (2014) Banking and the Social Contract, Notre Dame Law Review, Vol: 89:3, pp 1-61.
- Barth, J. R., Caprio, G., and Levine, R (2004) Bank supervision and regulation: What works best?, *Journal of Financial Intermediation*, 13(2), 205-248.
- Beck, Thorsten., Rosee Levine., and Norman Loayza (1999) Finance and the Sources of Growth, World Bank Policy Research Working Paper 2057.
- Berger, A. N., and DeYoung, R (1997) Problem loans and cost efficiency in commercial banks, *Journal of Banking and Finance*, Vol. 21, 849-870.
- Bonin, J. P., Hasan, I., and Wachtel, P (2005) Bank performance, efficiency and ownership in transition countries, *Journal of Banking and Finance*, 29, 31-35.
- Boubakri, N., Cosset, J. C., and Fischer, K (2005) Privatization and bank performance in developing countries, *Journal of Banking and Finance*, 29, 2015-2041.
- Brealey, Richard. A (2001) Financial stability and central banks A global perspective, *Bank of England*.
- Buch, C. M (1997) Opening up for foreign banks why central and eastern Europe can benefit, *Economics of Transition*, 5 (2), 339-366.
- Caprio, G., and Klingebiel., D (1996) Bank insolvencies: Cross country experience, *World Bank Working Paper,* No. 1620.
- Casu, B., and Molyneux, P (2003) A comparative study of efficiency in European banking, *Applied Economics*, 35(17), 1865-1876.
- Claessens, S., and Laeven, L (2005) Financial Dependence, Banking Sector Competition, and Economic Growth, World Bank Policy Research Working Paper 3481, pp 1-48.

- Das, Abhiman (1997) Technical, allocative and scale efficiency of public sector banks in India, *Reserve Bank of India Occasional Papers*, Special Issue, June and September.
- Fama, E. F., and Jensen, M. C (1983) Separation of ownership and control, *Journal of Law and Economics*, 26, 301-325.
- Fiordelisi, F., Marqués-Ibanez, D., and Molyneux, P (2011) Efficiency and risk in European banking, *Journal of Banking and Finance*, 35, 1315-1326.
- Fries, S., and Taci, A (2005) Cost efficiency of banks in transition: Evidence from 289 banks in 15 post-communist countries, *Journal of Banking and Finance*, 29, 55-81.
- Gertler, M (1988) Financial Structure and Aggregate Economic Activity: An Overview. Journal of Money, Credit, and Banking 20, 559–88.
- Hardy, D. C., and Patti, E. B (2005) Financial sector liberalization, bank privatization and efficiency: Evidence from Pakistan, *Journal of Banking and Finance*, Article in Press, 1-26.
- Hart, O (1988) Incomplete contracts and the theory of the firm, *Journal of Law Economics and Organization*, 4, 119-139.
- Iimi, A (2004) Banking sector reforms in Pakistan: Economies of scale and scope, and cost complementarities, *Japan Bank for International Cooperation,* (JBIC) Institute, 4-1, Ohtemachi 1-Chome, Chiyoda-Ku, Tokyo 100-8144, Japan.
- Irfan (2008) Pakistan wage structure during 1990/91-2006/07, Submitted: *Pakistan Institute of Development Economics,* The author expresses his gratitude to Dr. Rashid Amjad, Vice Chancellor, PIDE, for his very productive comments on an earlier draft of this study and for providing needed finances for the conduct of this study. 1-47.
- Janjua, M. S., and Malik, M. H (2011) The cost efficiency analysis of commercial banks in Pakistan: Based on free distribution approach, *Pakistan Development Review*, 694-714.
- Jensen, M. C., and Meckling, W. H (1979) Rights and production function: An application to labor-managed firms and co-determination, *Journal of Business*, 52, 469-506.
- Joshi, V., and Little, I. M. D (1996) India's economic reforms 1991-2001, *Oxford University Press*.
- Karim, M (2003) Ownership and efficiency in Malaysian banking, *The Philpine Review of Economics*, Vol XL No. 2, 91-101.
- Karim, M., and Jhantasana, C (2005) Cost efficiency and profitability in Thailand’s life insurance industry: A stochastic cost frontier approach, *International Journal of Applied Econometrics and Quantitative Studies*. 2(4), 19-36.
- Karim, M., Chan, Soke. Gee., and Hassan, S (2010) Bank efficiency and non performing loans, evidence from Malysia and Singapore. *Pargue Economic Papers*, 2, 118-132.
- Kiani, Adiqa (2005) A comparison of domestic vs foreign bank using stochastic frontier approach, *The Lahore Journal of Economic,* 10:2, 55-74.
- Levine, Ross (1997) Financial Development and Economic Growth: Views and Agenda, Journal of Economic Literature 35:2, 688–726.
- Levine, Ross., and Sara Zervos (1998) Stock Market, Banks and Economic Growth, American Economic Review 88, 537–558.

- Levine, Ross, Norman Loayza, and Thorsten Beck (1999) Financial Intermediation and Growth: Causality and Causes, The World Bank, Washington, D. C. (World Bank Policy Research Working Paper 2059).
- Lindgren, Carl-Johan., Garcia, Gillian., and Saal, M. I (1996) Bank soundness and macroeconomic Policy, *International Monetary Fund.*
- Lindgren, Carl-Johan., Garcia, Gillian., and Saal, M. I (1996) Bank soundness and macroeconomic Policy, *International Monetary Fund.*
- Matousek, R., and Taci, A (2005) Efficiency in banking: Empirical evidence from the Czech Republic, *Economic Change and Restructuring,* 37, 225-244.
- Megginson, W. L (2005) The economics of bank privatization, *Journal of Banking and Finance*, 29, 1931-1980.
- Mohan, Ram, T. T., and Subhash, C. Ray (2004) Comparing performance of public and private sector banks: A revenue maximisation efficiency approach, *Economic and Political Weekly, Money, Banking and Finance*, 39(12), 1271-1276.
- Muller, H.M., and Warneryd, K (2001) Inside versus outside ownership: A political theory of the firm, *RAND Journal of Economics*, 32(3), 527-541.
- Munir et al (2012) Financial performance assessment of banks: A case of Pakistani public sector banks, *International Journal of Business and Social Science*, 3(14), Special Issue.
- Qayyum, A., Khan, S., and Ghani, E (2006) X-efficiency, scale economies, technological progress, and competition: The banking sector in Pakistan, *The Pakistan Development Review*,Vol. 45, No. 4, Papers and Proceedings PARTS I and II, Twenty-second Annual General Meeting and Conference of the Pakistan Society of Development Economists Lahore, December 19-22, 2006, pp. 733-748.
- Reddy, Y. Venugopal (1992) Privatisation and financial sector: Ownership, competition and efficiency, paper presented at the, *Bank Economists Conference*, 1992.
- Shabbir, Kasori., and Abid, A. Burki (2014) Banking deregulation and Allocatvie Efficiency in Pakistasn, *CMER Working Paper* No. 14-11 Lahore: Lahore University of Management Sciences, 1-18.
- Shepherd, W. G (1989) Public enterprise: criteria and cases, In the structure of European industry, ed. H.W. de Jong. Norwell, MA: *Kluwer Academic Publishers.*
- Shepherd, W. G (1989) Public enterprise: criteria and cases, In the structure of European industry, ed. H.W. de Jong. Norwell, MA: *Kluwer Academic Publishers.*
- Shleifer, A., and Vishny, R. W (1986) Large shareholders and corporate control, *Journal of Political Economy*, 94, 461-488.
- State Bank of Pakistan (2012) State bank of Pakistan, *Annual Performance Review*, 2011-12, State bank of Pakistan, Volume-II: 1-38.
- Thomsen, S., and Pedersen, T (1998) Industry and ownership structure, *International Review of Law and Economics*, 18, 385-402.
- Tirole, J (1992) The theory of industrial organization, Cambridge, MA: *The MIT Press*.
- Vernon, R (1979) The international aspects of state-owned enterprises, *Journal of International Business Studies*, 10(3), 7-15.
- Weill, L (2003) Banking efficiency in transition economies: The role of foreign ownership, *Economics of Transition,* 11, 569-592.
- World Bank (2002) World Development Report, 2002 and various issues, reports.