THE SLOW GROWTH OF FINANCIAL INTERMEDIATION THROUGH THE IMPLEMENTATION OF SUSTAINABLE MEASURES IN THE FIELD

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Abstract: *As countries develop, they tend to carry out a variety of economic activities, operate in larger markets and claim higher financial capital, adapted to growing needs. Financial intermediation plays an important role in such developed economies, to boost lending, efficiently allocating funds and providing protection and security for various financial transactions. The current research shows us that in Romania, bank lending remains the pillar instrument for financing investments and the banking system has defined its lending capacity in recent years. However, our country ranks last, in terms of the degree of financial intermediation. The article proposes concrete financial measures with a high degree of implementation difficulty but with a strong impact on the growth of sustainable financial intermediation in Romania.*

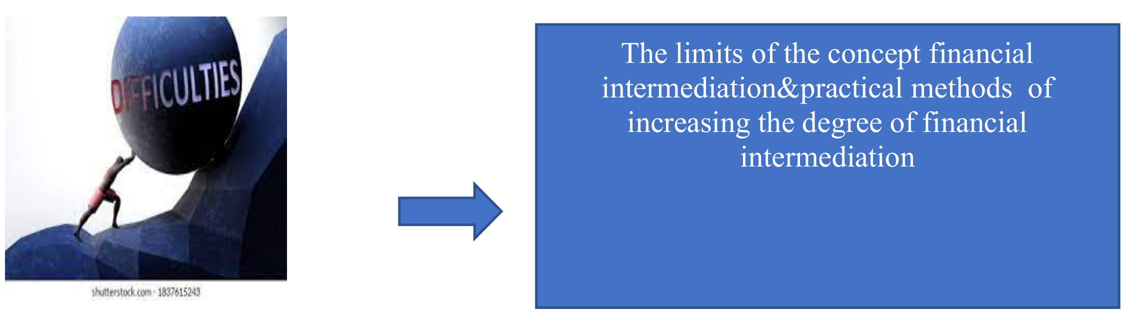
Keywords: *financial intermediation, slow growth, sustainable development, GDP per capita, credit banking.*
JEL Classification: *E50, E52, G20.*

1. Introduction

The main goal of this research derives from the opportunity to integrate in the new economic context, which is uncertain and unpredictable, the impact of financial intermediation on the development of the economy in a sustainable manner.

From the point of research perspectives, the paper will analyse:

- the theoretical and practical aspects of the type of financing in Romania and the degree of financial intermediation focusing on the measures for increase a sustainable financial intermediation in line with the the EU average and according to the new global trend ESG;
- we hope to help ensuring a sustainable future for the next generations, avoiding financial impediments;



Methodology: consist of studies of NBR, EC, ECB, NCMO, data analysis and interpretation (graphs, tables, diagrams) which show the impact of financial intermediation, my work experience in working with entrepreneurs.

1. Sustainable development. The key dimensions

The concept of sustainable development involves three dimensions of welfare — environmental, economic and social as the figure no 1 shows. Sustainable development means that the objectives of economic growth must take into account the protection of the environment and social factors. In 1987, The World Commission on Environment and Development published the report Our Common Future (United Nations, n.d.), the Brundtland Report, which refers to the indicators that can be used to evaluate long-term progress in order to achieve inter-generational equity, respectively satisfying the needs of the present generation without compromising the ability of future generations to meet your own needs.

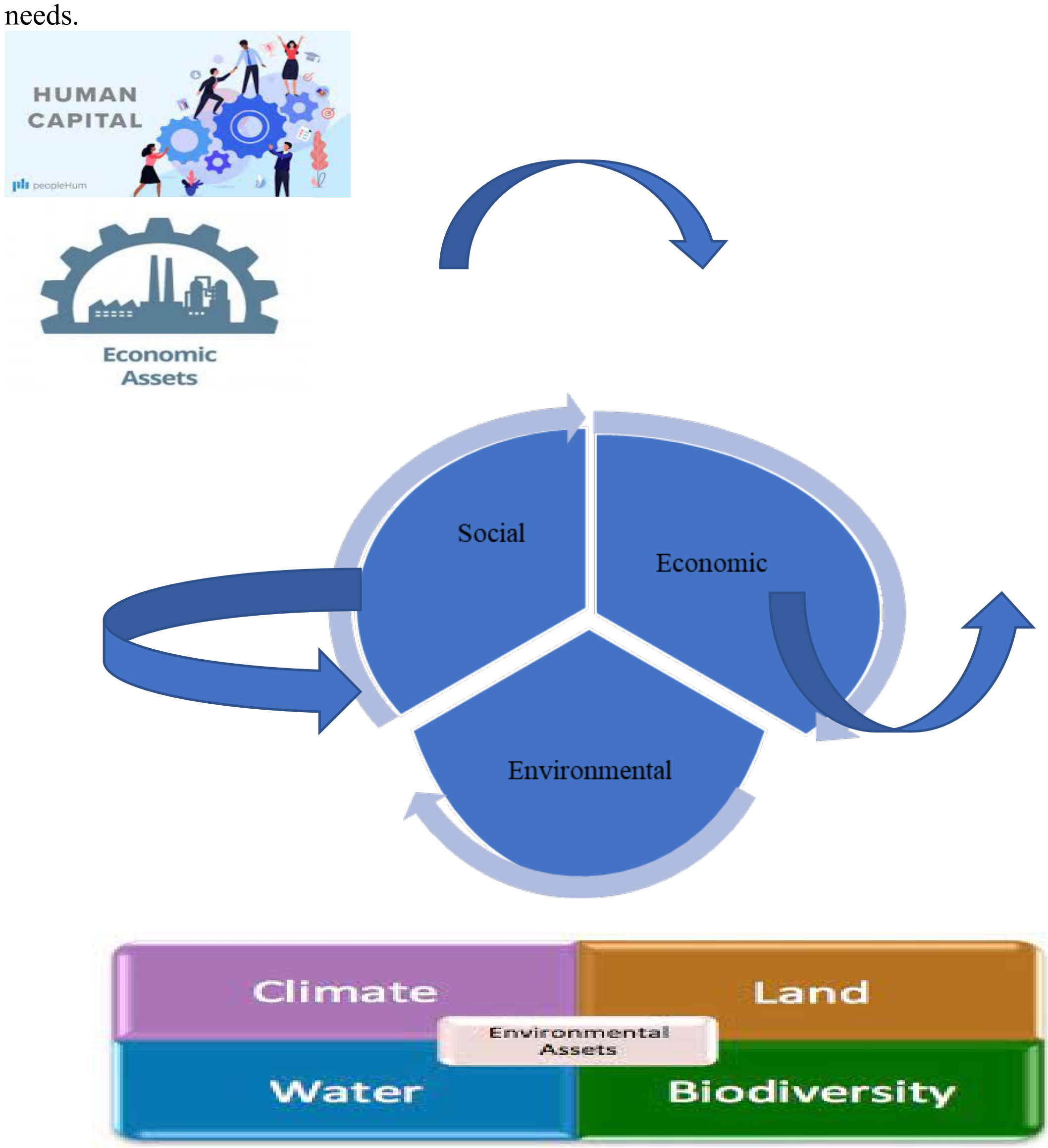


Figure no 1- The 3 key dimensions of sustainable development
Source: (OECD, 2005)

The relationship between the 3 key dimensions of sustainable development:

1. The impact of social variables on the economy and on the environment:
-social variables on the economy: labour force, population and household structure, education and training; consumption levels, institutional and legal frameworks;
-social variables on the environment: demographic changes, consumption patterns, environmental education and information, institutional and legal frameworks;
2. The influence of environment services to the society and to the economy:
-environmental services to the society: access to resources and amenities, contributions to health, living and working;
-environmental services to the economy: natural resources, contributions to economic efficiency and employment;
3. The impact of economic activity on the environment and on the society:
-economic activity to the environment: resource use, pollutant discharges, waste;
-economic activity to the society: income levels, equity, employment;

Financial sustainability is closely related to the economic one, because the projects of sustainable development can attract various funds and financing measures and lower costs for raw material would be generated and the focus would be transferred on efficiency production or service costs.

That is why, it is important to emphasize the importance of credit and the banking system in the development of a sustainable economy.

1.1. The role of the credit and the banks in the economy

Credit contributes significantly to economic processes by favoring the flow of funds, promoting economic growth and supporting financial activities. It also facilitates individuals, organizations and governments to access funds that they do not currently possess, allowing them to make purchases, make investments and conduct projects that contribute to the development of the economy. We emphasize some essential aspects of the role of credit in the economy:

1. Capital formation and investments that can be made: By accessing credits, organizations use borrowed capital for the purpose of expansion, research and development, generating new jobs, improving the productivity process and supporting innovation. The loan supports entrepreneurs and start-up companies to access the necessary capital to implement the business plan, thus contributing to economic growth, if the business is built and maintained healthy, on viable economic principles.

2. Consumer expenses: Individuals who access consumer loans can purchase electronics, cars, houses, other goods in order to increase the standard of living, by stimulating the demand for goods and services, contributing to the maintenance and development of related industries but also to increasing the degree of employment.

3. Home ownership: by accessing mortgage loans, people own homes whose cost can be spread over a long period of time, offering stability to families and contributing to the maintenance and growth of the real estate sector and the construction materials industry and related sectors.

4. Education and human capital: Loans intended for studies offer the possibility of enriching knowledge and skills by pursuing higher studies and increases the degree of qualification of the workforce as well as productivity with an impact on economic progress.

5. Government financing: projects of public interest such as health, infrastructure, education, can be realized through attracted sources/public loans, through bond issues and

other types of instruments with the help of which governments collect financial capital with precise destinations, thus supporting economic activity and adding value to public services.

6. Commercial transactions: The gaps between the deadlines for collecting receivables and the deadlines for payment of operational debts, the continuation of the current activity without malfunctions through the purchase of stock of goods, and other current expenses, can be supported by short-term loans, loans on contracts, loans -supplier, lines of credit in order to manage cash flow and continue business processes without slippage.

7. Entrepreneurship: Facilitating access to additional funds, in addition to entrepreneurs' own capital, makes it possible to start a business and over time contributes to the development of the investment plan, stimulating competition, generating new jobs and boosting the economy.

8. Risk management and diversification: Allocation of funding sources to different business lines allows business diversification, thus reducing exposure to certain segments and reducing risks. The entrepreneur has the freedom of decision to allocate funds in various opportunities to disperse the risks of the business and implicitly the financial risks.

9. The impact on monetary policy: The interest rate is a tool through which central banks influence the economy because the interest rate directly impacts the cost of lending, a low interest rate decreases the cost of borrowing and stimulates borrowing and spending, and a high interest rate increases the cost of borrowing, discourages consumption and lending and directly impacts inflation.

10. Economic cycles: In economic expansion, the growth is supported by easy access to credit, but the high degree of indebtedness can generate financial instability (Michigan Law Review & Simons, 1949) and if this situation is not properly controlled and monitored, it can contribute to recession.

1.2. The role of the banks in the economy - key aspects

Within the financial system, banks usually have a significant role due to the multiple functions and services they offer. They play the role of key financial intermediaries and impact the flow of funds and implicitly the way economic activities are carried out. The essential role of banks in the financial system refers to: financial intermediation by directing capital flows, thus contributing to economic activity and maintaining financial stability. Below are some important roles of the banks in the economy:

1. Financial intermediation: the intermediation of the request for funds and the offer, respectively between debtors and creditors is ensured by banks. Banks collect available funds from individuals and legal entities, remunerating these funds through interest and place the capital to people who need additional funds for consumption, current operations and investments, funds that bear interest, which the banks charge.

2. Capital allocation: it is essential that the borrowed funds are directed to viable, profitable investment projects that generate added value in the economy, contribute to economic development, therefore the role of banks in channeling resources in productive processes is critical, they evaluating the creditworthiness of the debtors and the destinations of the borrowed funds.

3. System of means of payment: The infrastructure of an effective payment system supports commercial transactions, having an important role in economic development. The banking system ensures a safe, digital and efficient environment for making payments, allowing individuals and legal entities to carry out transactions, to transfer capital at national and international level.

4. Investments and savings: banks offer a regulated and safe environment for saving money and investing in specific products in short and long-term investment and savings products, diversified according to the needs of individuals, for achieving goals and accumulating capital. The products offered are diverse, from conservative ones, without risk to complex ones with a varied risk component: deposits, savings accounts, investment funds, deposits with indexed returns.

5. Credit creation: A part of the deposits collected by the banks is kept as a reserve, according to the regulations of the central bank, and the part that remains available from the deposits can be loaned. Through this process of fractional reserves, the money supply increases and economic growth is sustained, through the creation of credits.

6. Liquidity injection: through the diverse offer of short-term loans, credit lines, overdrafts, banks inject liquidity into the economy, placing funds from those who save to those who want to borrow, facilitating the transfer of capital, adapted to the immediate and long-term needs of the entities.

7. Risk management: through the vast offer of complex financial products, banks provide insurance services, solutions to cover currency risks, interest rate changes, other unpredictable events, supporting the management of financial risks.

8. Interest rate control: The cost of credit and the level of consumption is adjusted through the levers applied by central banks that influence the short-term interest rate with an impact on the loan rate applied by commercial banks(BNR, 2011). Bank lending impacts the interest rate in the economy.

9. Adoption of monetary policy: Central Banks influence the money supply and economic activity using instruments such as the establishment of minimum mandatory reserves imposed on commercial banks, the interbank interest rate, in this way banks play the role of intermediaries to implement monetary policy.

10. Stability of the financial system: ensuring a stable and regulated environment for the safe execution of financial transactions, guaranteeing the amounts invested for saving in banks, compliance with prudential rules, all of these have the role of avoiding excessive speculation, controlling and mitigating risks , and through these levers, banks support financial stability.

11. Increasing the employment rate and the economy as a whole: by facilitating capital investment and access to financing through which entities develop, create jobs, invest in profitable opportunities, banks contribute to economic growth and economic activity in general.

12. Financing government expenditures: by facilitating government borrowing through bond issues and other public debt instruments, Banks support governments to carry out projects and provide public services, thus helping economic development.

I emphasize that the role of banks varies depending on the type of bank (investment banks, central banks, commercial banks, etc.) and the regulations specific to each state. Moreover, in order to contribute to financial stability and to offer protection to the interests of depositors and for guarantees offered to the economy in general, it is necessary that the banking activity should take place without syncopation, in a safe, well-regulated environment and constantly and effectively supervised.

The monopolistic economy, as well as the pressure of the political environment, prevented the banking system from achieving its essential goal, that of the efficient allocation of resources in the economy (Nicolae Danila, 2010); For this reason, the bank credit did not constitute a means of connection between the real and the financial sector, being an instrument to artificially keep non-viable economic agents alive, a means of subsidizing the economy during the period 1990-1993, in particular. In the years 1992-1993, the banking system in Romania was seriously affected when the interest rate was negative, correlated with the very high inflation rate, a fact that determined the decapitalization of the companies and the banks.

The quality of the loan portfolio was affected, the share of non-performing loans reaching the level of 50% in the years 1994-1998;

• The contradiction between the new banking system with western influences and the characteristics of the Romanian economic environment damaged the Romanian bank loan portfolio; Other factors that led to the increase in the share of non-performing loans were: the instability of the economic environment, the superficial analysis of credit requests and the faulty management of enterprises;

• In the current economic context, the Romanian banking system has remained the main financial intermediary in the economic environment, having the role of delivering long-term credits to companies to support investments, but also short-term credits to cover the gap in working capital;

• There are controversies due to the fact that there are no defined theoretical bases for the role of credit in the economy;

• Current economic thinking sees credit as a factor that interferes with the monetary political process. There are:

Opinions that underestimate the role of credit/the banks in the development of the economy, so that we are confrunted with an increase request of the companies in favour of other sources of financing, inadequate and expensive.

Opinions that overestimate financing bank, considering the credit - the main mechanism for relaunching the economy.

In our opinion**,** if the credit bank is granted according to the needs of the companies and to the business model, and in an appropriate financing structure, having in mind the development of the business in a sustainable way, the credit bank is not overestimate.

2. The impact of Financial intermediation on the development of a country's economy

The arguments for which I support the slow growth of financial intermediation:

1.Using additional capital to develop, but adapted to the needs of the company, structured according to the business model and respecting prudential lending principles.

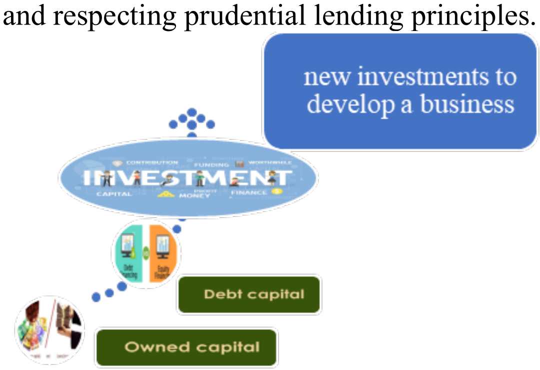


Figure no 2 - Developing a business by using both owned & debt capital
Source: own processing data

2. During the period of economic recession, the banking system is an important pillar that evaluates the risk related to the restoration of asset prices, because by the nature of its activity, banks give confidence to certain areas, which determine the resettlement of asset prices(Nicolae Danila, 2010);

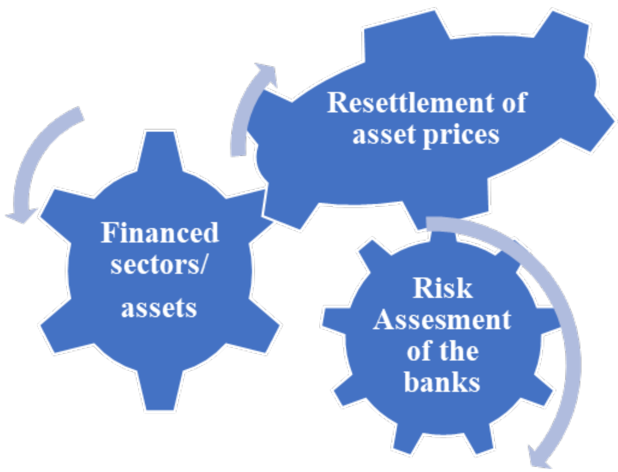


Figure no 3- The risk assessment of the banks determine the resettlement of the asset prices
Source : (Nicolae Danila, 2010) and own processing data

3.Economic activities are developing based on investments, which generate new jobs and boost consumption, with an impact on social well-being, and this circuit creates opportunities for more new investments.

Figure no 4- The impact of investments in the economic activity
Source: own processing data

Economic practice has shown that, in order to support investments, additional funds are needed, in addition to own capital;

2.1. The financial intermediation in Romania in comparision with the EU average financial. The correlation with GDP per capita.

In the monopolistic economy, the banking credit was a tool to artificially keep economic agents alive, with serious consequences on the capitalization of companies and banks (non-performing rate).

Within the financial system, banks usually have a significant role due to the multiple functions and services they offer. They play the role of key financial intermediaries and impact the flow of funds and implicitly the way economic activities are carried out. The essential role of banks in the financial system refers to: financial intermediation by directing capital flows, thus contributing to economic activity and maintaining financial stability.

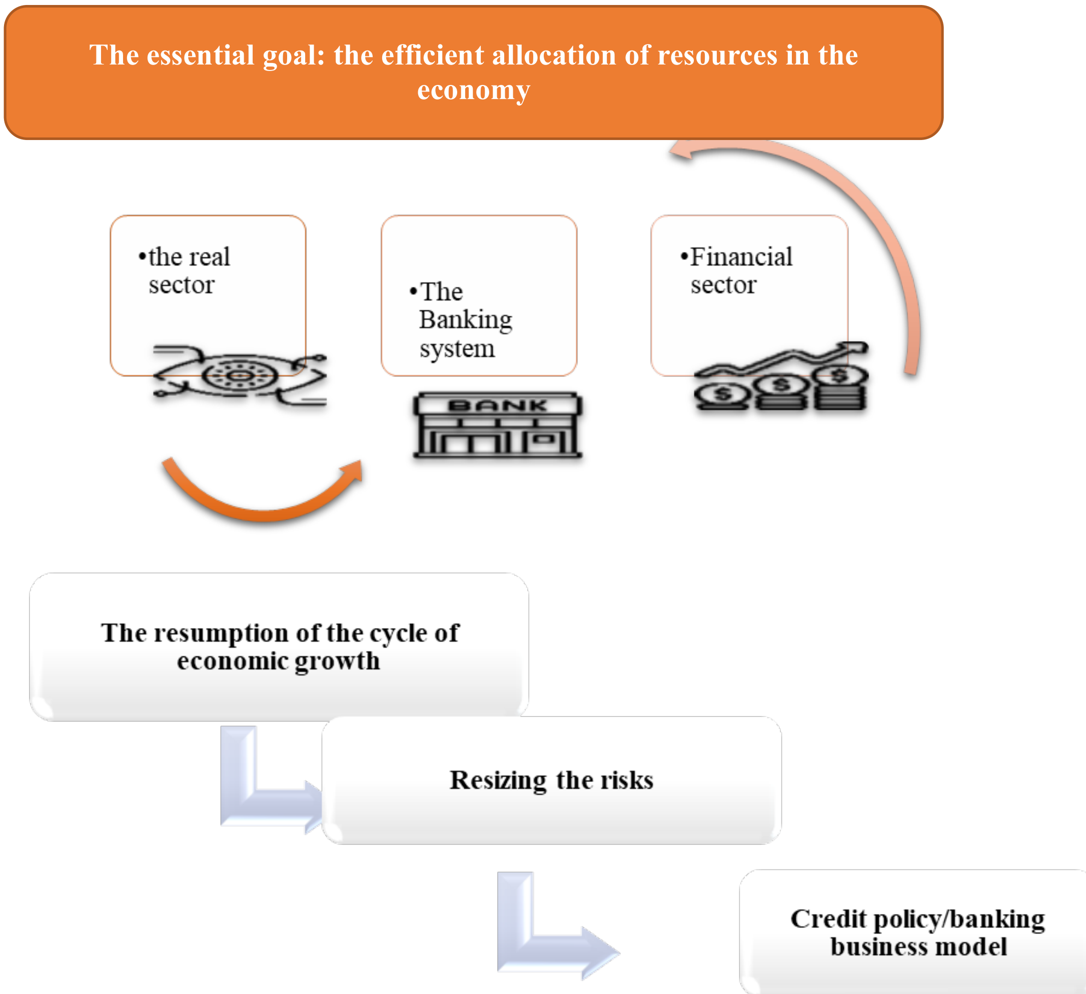


Figure no 5- Sustainable allocation of resources in the economy through the banking sector
Source: (Nicolae Danila, 2010) and own processing data

The impact of Financial intermediation on the development of a country's economy: POSITIVE correlation

2.2. Sustainable financial intermediation

Sustainable financial intermediation, which includes ESG factors (social, environmental, governance) can favorably impact sustainable economic development, having a supporting role in environmental protection, social well-being and long-term economic growth.

Below are ways in which sustainable financial intermediation can have a positive impact on sustainable economic development:

• **Investments in sustainable economic projects**: sustainable financial intermediation ensures the allocation of funds in projects with a positive social and environmental impact. These refer to investments in clean technologies, alternative energy (renewable sources), sustainable agriculture, traded housing at affordable prices, initiatives that favor a greener economy and contribute to inclusion.

• **Risk management and resilience**: The integration of ESG factors in financial intermediation supports the identification and dispersion of risks regarding social, environmental and governance factors. By mitigating exposure to risky procedures and assets, financial players with the role of intermediaries can support economic stability and become more resilient.

• **Innovation and technological progress:** a sustainable financial intermediation supports the development of those industries that protect the environment and preserve natural reserves and are in continuous innovation, an aspect that contributes to the development of modern, high-performance, efficient technologies, products and services that respond to social challenges and environmental, helping economic growth and stimulating the competitive environment.

• **Long-term value creation**: considering the inclusion of ESG aspects, financial intermediaries create investment opportunities in organizations and projects strategically oriented towards long-term sustainability and the generation of added value, an aspect that generates better and more constant returns, and contributes to the creation of a sustainable investment ecosystem.

Social inclusion and development: promoting financial inclusion by facilitating access to resources for the disadvantaged population, supporting microfinance and SMEs, which helps to reduce poverty and inclusive economic growth.

• **Improved corporate practices**: participants who have the role of financial intermediaries can encourage and support the interest of companies in applying sustainable practices of ethical conduct, transparency in business and governance, being practical models for entities, an aspect that increases the confidence of investors and creates and maintains an environment of stable and safe business.

• **Involvement of interested parties**: a sustainable financial intermediation has the role of involving all interested parties, investors, communities and regulatory institutions, collaboration that can have positive implications in decision-making processes, an increase in responsibility and collaborative approach regarding more general objectives.

• Regulatory support: Sustainable financing has become the target of governments and regulatory authorities, being appreciated for its contribution to regulations that encourage social equity, economic development and environmental protection and conservation.

• **Positive reputation and brand value**: Reputation and brand value can be improved by focusing on sustainability of financial intermediaries, which attracts customers, investors, who recognize and appreciate ethical procedures, responsible and efficient financial practices.

• **Contribution to (**Sustainable Development Goals**):** A sustainable financial intermediation is promoted in line with the UN SDGs – poverty, climate change, social inequalities and environmental degradation (Ministry of Foreign Affairs, 2023). In other words, a sustainable financial intermediation no longer traditionally approaches marking profit at any cost, and aims at the overall impact on the environment and society. By allocating funds in sustainable initiatives, it stimulates the process of socially equitable, economically viable and ecologically responsible economic development.

Numerous specialist studies (Levine, 1997), (King & Levine, 1993), (Beck et al., 2000) have analyzed in 80 countries the connection between the financial sector and economic growth, during 30 years. The results of these studies demonstrate that financial intermediation impacts the evolution of the future economic activity, arguing that the level of development and financial intermediation is correlated with the real increase in GDP per capita and with the efficiency of using capital in economies. Levine, Ross (1997) - "Financial Development and Economic Growth: Views and Agenda.

It is useful to note that, although we observe a positive correlation between the level of financial intermediation and GDP per capita, the relationship is complex and can be impacted by different factors, such as organizational development, the regulatory environment, technological progress and cultural norms in -a state. Also, the quality of financial intermediation and its influence on economic growth varies according to the efficiency of financial services, the mode of regulation and application in a certain economy.

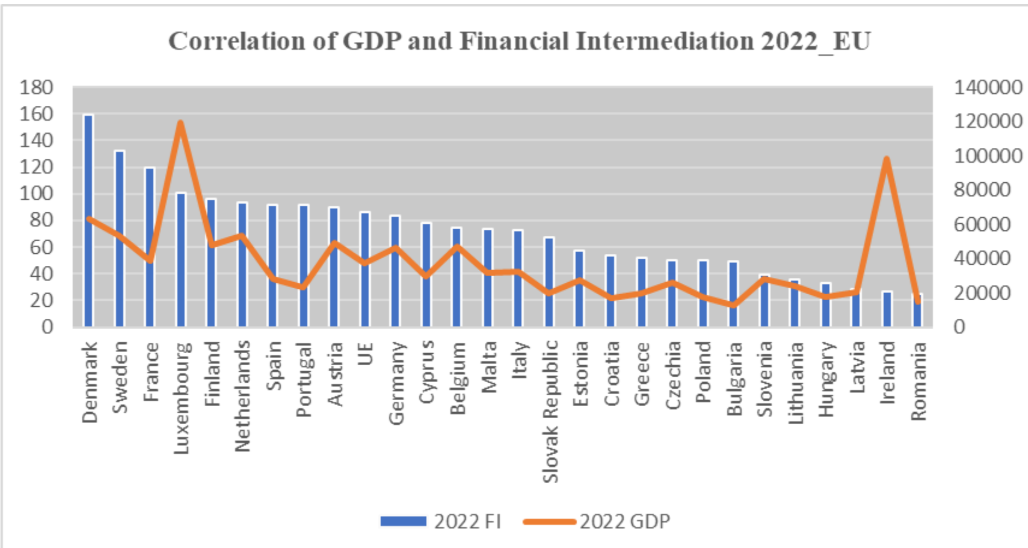


Figure no 6- The correlation of the GDP/capita with the degree of financial intermediation. At the EU level, we calculated the correlation between financial intermediation and GDP at the level of each European state, based on the reported data. I mention that the data reported for the year 2022 are the share of credits granted to non-financial companies in GDP, in order to have visibility at the EU level.

Source: ECB, Eurostat, BNR, EIB - own processing data

$$\text{Financial Intermdiation} = \frac{\text{Credit}}{\text{GDP}}$$

Financial intermediation positively impacts the development of a country's economy: positive correlation 0.4, as shown in the SUMMARY OUTPUT, based on the data in the table below.

Table no 1- The level of financial intermediation and GDP per country in EU

2022		
Country Name	**FI**	**GDP**
Denmark	159	63540
Sweden	132	53160
France	119,7997285	38590
Luxembourg	100,7127648	119230
Finland	96,00155993	47990
Netherlands	93,78656291	53260
Spain	91,34946063	27910
Portugal	91,28567769	23310
Austria	89,52408865	49440
UE	86,24347685	37257
Germany	83,64425079	46150
Cyprus	77,79637419	29600
Belgium	74,1735192	47250
Malta	73,46907614	31790
Italy	72,8620264	32390
Slovak Republic	66,92628881	19590
Estonia	57,41894663	27170
Croatia	54	17240
Greece	52,19916289	19670
Czechia	50	25830
Poland	50	17310
Bulgaria	49	12400
Slovenia	39,71451524	27980
Lithuania	36,05419349	23620
Hungary	33	17520
Latvia	28,60744705	20720
Ireland	26,35999789	98260
Romania	24,72455234	15040

(Eurostat, 2023)

(International Monetary Fund, International Financial Statistics and data files, and World Bank and OECD GDP estimates, 2023)

SUMMARY OUTPUT (1)

Regression Statistics	
Multiple R	**0,408092591**
R Square	0,166539563
Adjusted R Square	0,133201146
Standard Error	31,12111184
Observations	27

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	4838,186983	4838,186983	4,995424968	0,03458696
Residual	25	24213,09005	968,523602		
Total	26	29051,27703			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95,0%*	*Upper 95,0%*
Intercept	50,8624985	10,90755362	4,663052805	8,92359E-05	28,3979713	73,3270257	28,3979713	73,3270257
Y	0,000546863	0,000244677	2,235044735	0,03458696	4,29423E-05	0,001050785	4,29423E-05	0,001050785

Access to financing - an important pillar in the development of companies (Comisia Europeana, 2011)

ϖ The economic development of small and medium-sized companies is a priority axis for Europe, including access to financing

ϖ Access to financial resources is a fundamental element in the development of the non-financial sector (BNR, 2021);

ϖ Ensuring adequate financing contributes to healthy economic growth; According to figure no 7, the lending activity of the Romanian private sector is below potential, in the context where: substantial pressures on the depreciation of the national currency persist, consumption is increasing correlated with the consistent trade deficit (approx. EUR 34 billion/2022), and the balance of loans banking loans granted to non-financial companies increased by 5.3% (BNR info). The financing of companies is not in rhythm with the economic dynamics.

However, the year of the pandemic brought the first increase for financial intermediation, after 10 years of successive decreases. Maintaining the degree of financial intermediation at the lowest level in the EU was influenced by: the volatility of the legislative framework, the precarious economic situation of companies (negative capital, declining profitability and liquidity). I note that approximately 50% of financial intermediation represents loans granted to companies. Credit/GDP ratio=financial intermediation.

According to figure 7 - The degree of financial intermediation, the lending activity of the Romanian private sector is below potential, in the context in which: the substantial pressures on the depreciation of the national currency persist, the consumption increases correlated with the consistent trade deficit (approx. 34 billion eur/2022 -(Institut National Statistics Office, 2023a), and the balance of bank loans granted to non-financial companies increased by 18% (info BNR-Monetary and Financial Statistics).

The financing of companies is not in rhythm with the economic dynamics. However, the year of the pandemic brought the first increase for financial intermediation, after 10 years of successive decreases. Maintaining the degree of financial intermediation at the lowest level in the EU was influenced by: the volatility of the legislative framework, the precarious economic situation of companies (negative capital, declining profitability and liquidity).

I note that approximately 50% of financial intermediation represents loans granted to companies.

ϖ Economic lending versus economic growth; There is a strong correlation between national wealth and the level of financial intermediation, in the sense that the share of private sector lending in GDP stimulates economic growth. The extremely low degree of financial intermediation in our country places Romania in last place in EUROPE and from the point of view of GDP/ inhabitant

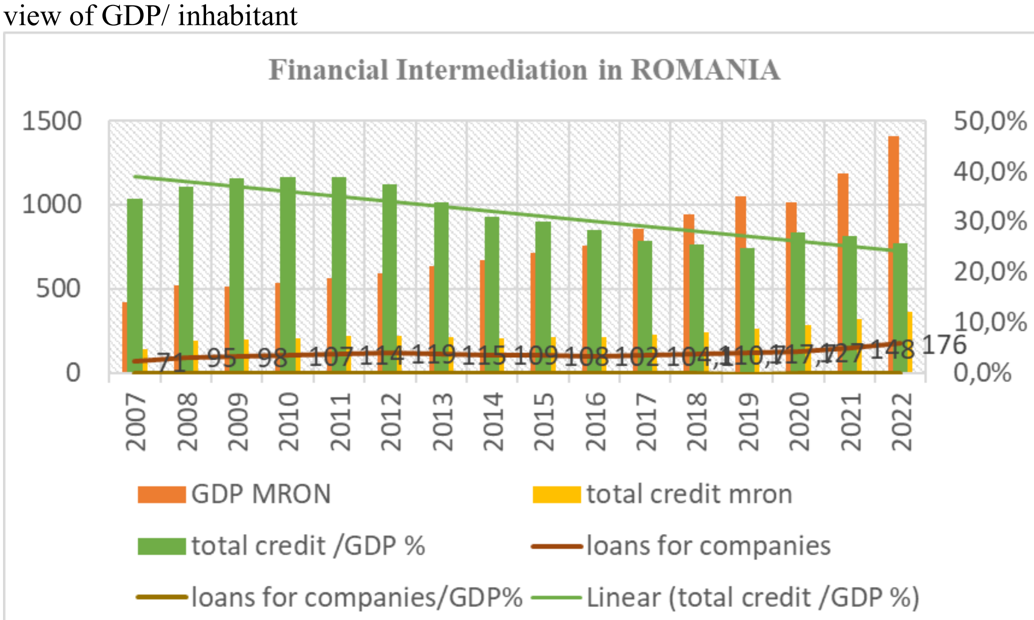


Figure no 7- The degree of financial intermediation in Romania 2007-2022
Source: BNR, INS, own processing data
(BNR, 2023);
https://www.bnr.ro/Credite-acordate-gospodariilor-populatiei-5771.aspx;
https://www.bnr.ro/Credite-acordate-societatilor-nefinanciare-

5792.aspx;https://www.bnr.ro/Credite-acordate-institutiilor-financiare-nemonetare,-administratiei-publice-si-nerezidentilor-5793.aspx;
(Institutul National de Statistica, 2023b);https://insse.ro/cms/ro/tags/comunicat-pib-anual

The decrease in the degree of financial intermediation starting with 2013 was generated by a number of factors, the most important being the volatility of the legislative framework, number of the companies in financial difficulty, as well as the process of cleaning the balance sheets of non-performing loans started by banking institutions in the period immediately after the crisis.

The financing structure of the companies in 2020-2021 is similar, the main financing instrument remains the supplier credit, as well as the debts by the affiliated entities and towards the shareholders (inclusive external mother-daughter loans).

The third source of financing as a share of liabilities companies is internal lending from banks and NFIS (represents 8% of the liability, similar to previous years).

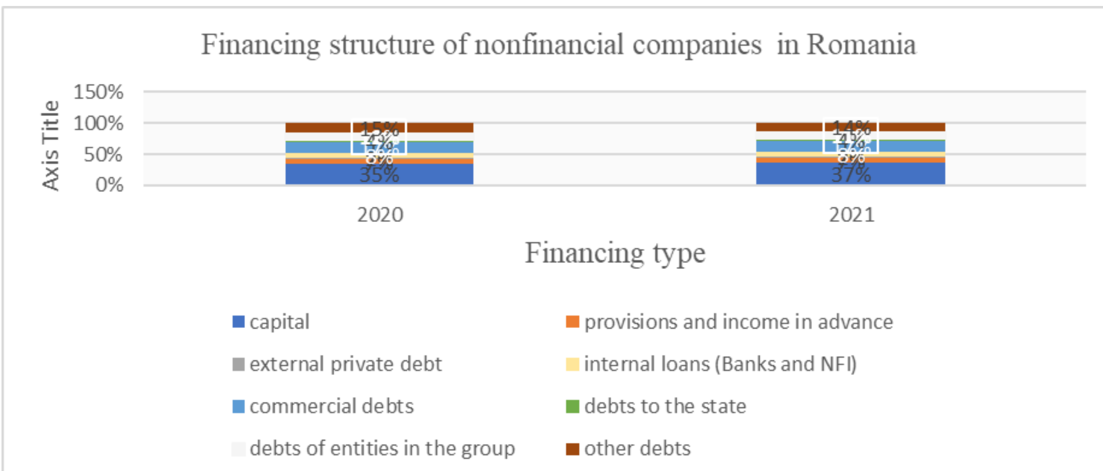


Figure no 8- Financing structure of nonfinancial companies in Romania
Source: BNR, Report on financial stability, December 2022

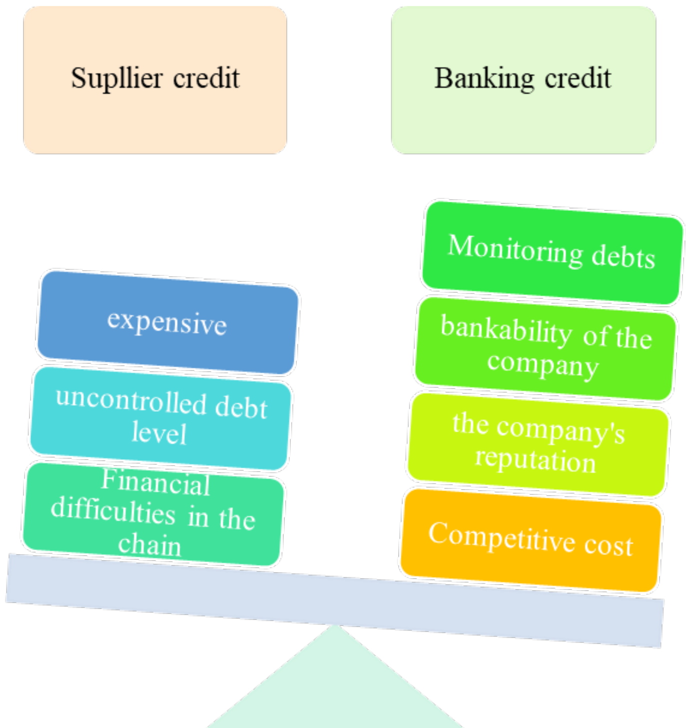


Figure no 9- The comparison between supplier and bankig credit
Source: own processing data

The reasons for choosing bank financing, considering that the supplier credit is an unique form of financing and the bank credit involves various sustainable options adapted to the company's business model

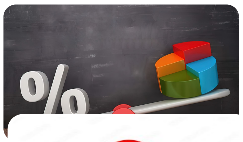
3. **Proposal of sustainable measures in the financial field with a high degree of implementation difficulty but with a strong impact on the growth of sustainable financial intermediation**

1. Awareness

- communicating the negative consequences of carring on the present activities through permanent public information;
- communicating/highlighting the progress/results of the application of sustainable measures through periodic public reports accessible through promotion campaigns;
- financial education at the level of individuals/organizations through workshops/practical applications;

2. Parameterization of the financial indicators of the companies for the validation of their activities in the market:

To regulate the relevant indicators for financial viability (positive equity) in order to maintain in the market those companies that respect the basic economic principles;



To apply measures for rebalance indicators, following controls/data published at the AFP, through collaboration between entities and financial/fiscal inspectors;

To be worned for 2 consecutive balance sheets for not fitting indicators within the established limits;

3. Encouraging, monitoring and regulating banking rules to increase the access to sustainable financing

- the adoption of European instruments, procedures and the monitoring of their application in the Romanian financial system- the accelerated development of the offer of financial products/services at banking level
- prioritizing green credits and supporting sustainable development through SME support programs with guarantees from the Romanian State through guarantee funds- accelerating digitization in the financial-banking system by regulating and implementing transparency measures for current operations - opening accounts and trading capital flows exclusively through bank accounts/eliminating cash from circulation
- simplifying the credit process through: reducing documents/restricting the number of approvers on the approval circuit

Sources: Financial intermediation and the entrepreneurial footprint of Romania - 2021 Romanian Association of Banks; (Curtea de Conturi Europeana, 2019)- Quick Case Study Sustainability reporting: a balance sheet across EU institutions and agencies

4. Conclusions of the research:

As countries develop, they tend to carry out a variety of economic activities, operate in larger markets and claim higher financial capital, adapted to growing needs. **Financial intermediation** plays an important role in such developed economies, to boost lending, efficiently allocating funds and providing protection and security for various financial transactions;

- There are **controversial opinions** regarding the role of credit and banks in the economy, but the way of allocating resources in the economy is important, which highlights the positive role of credit. In the current economic context, the Romanian banking system has remained the main financial intermediary in the economic environment, having the role of delivering long-term loans to companies to support investments, but also short-term loans to cover the gap in working capital. However, our country ranks **last** in terms of the degree of financial intermediation;
- There is a **positive correlation** between national wealth and the level of financial intermediation, in the sense that the share of private sector lending in GDP stimulates economic growth;
- The proposal of **sustainable measures in the financial field** with a high degree of difficulty of implementation but with a strong impact on the growth of sustainable financial intermediation starts from the awareness at the level of the individual/entity, then setting financial indicators of the companies to validate their activities in the

market and the encouragement, monitoring and the regulation of banking rules to increase access to sustainable financing.

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