

Senior Bankers' Views on Financial Crises, 1980s-2020s

Youssef Cassis and Bruno Pacchiotti

Financial crises are complex phenomena, which have multiple causes, including prevailing economic and political conditions, on which bankers have little control. Theoretical and empirical works have established that bankers' over confidence and excessive risk-taking in boom times is only one of the many factors leading to the outbreak of financial crises. At the same time, financial actors are also, by definition, actors in the event, and their vision of financial crises necessarily includes their own part and/or that of the banking profession in financial crises. However, we know very little about this vision, as far greater attention has been paid to central bankers and policymakers than to bankers and financiers.

This paper analyses senior bankers' views on the financial crises that broke out from the 1980s to the 2020s. It is based on the interviews of the chairmen, CEOs and other top executives of leading American, British, German and French banks active at the time of the global financial crisis of 2008 and fifteen years later. Three major issues are addressed. First, had senior bankers experienced one or several financial crises before the outbreak of the subprime crisis in 2007, and if so, which crisis, or crises, mostly mattered to them and which lessons did they draw from them? Second, how do they view the global financial crisis of 2008, in terms of its severity compared to other crises, before and after; and as far as its (sometimes diverging) effects, on the one hand on their firm and on the other hand on the financial system and the economy, are concerned? And third, what do they consider as the main legacy of the global financial crisis?

By analysing senior bankers' views on financial crises, the paper will not only fill a gap in the scholarly literature, but also, in connection with the theme of the workshop, help better understand which crises actually matter when it comes to remembering and learning from the past.