**Systemic Crisis:**

Systemic crisis means the nationwide banking crisis which its impact spreads to the whole banking sector. There are two conditions to be met: 1) significant signs of financial distress are in a majority part of the banking system 2) significant banking policy intervention measures are implemented by the appropriate financial authorities in response to significant losses amongst the individual components of the banking system.

**Banking Crisis:**

A banking crisis is a financial crisis that affects banking activity. Banking crises include bank runs, which affect single banks; banking panics, which affect many banks; and systemic banking crises, in which a country experiences many defaults and financial institutions and corporations face great difficulties repaying contracts. A banking crisis is marked by bank runs that lead to the demise of financial institutions, or by the demise of a financial institution that starts a string of similar demises.

**Inflation Crisis:**

Inflation is a decrease in the purchasing power of money, reflected in a general increase in the prices of goods and services in an economy. Inflation crisis means very high and typically accelerating inflation. It rapidly erodes the real value of the local currency, as the prices of all goods increase. This causes people to minimize their holdings in that currency as they usually switch to more stable foreign currencies.

**Currency Crisis:**

A currency crisis is a situation in which serious doubt exists as to whether a country's central bank has sufficient foreign exchange reserves to maintain the country's fixed exchange rate. The crisis is often accompanied by a speculative attack in the foreign exchange market. A currency crisis results from chronic balance of payments deficits, and thus is also called a balance of payments crisis. Often such a crisis culminates in a devaluation of the currency.

**Exchange Rate USD to Domestic Currency:**

Exchange rate of USD to interest of country’s currency. For a country, the lower the exchange rate USD the more valuable its currency. It shows the state of country's economy and determines whether this country mostly focuses on import of export. If exchange rate fluctuates widely, it could create uncertainty and instability on financial markets, for trading processes and etc, and lead to critical situations for the whole country.

**Domestic Debt in Default:**

Domestic debt is defined as domestic currency debt of Central Government. owed to domestic residents of the country. It includes including treasury bills, bonds, notes, and government stocks. Default is a failure by a government in repayment of its debts.

**Sovereign External Debt Default**

Sovereign external default is a failure of a government to honor some or all of its debt obligations to the external lenders. This happens when the government is either unable or unwilling to make good on its fiscal promises to repay its bondholders. Countries do default when their national economies weaken, when they issue bond denominated in a foreign currency, or a political unwillingness to service debts. Countries are often hesitant to default on their debts, since doing so will make borrowing funds in the future difficult and expensive.

**Gdp Weighted Default:**

**Consumer Price Index:**

A consumer price index is a price index, the price of a weighted average market basket of consumer goods and services purchased by households. Changes in measured CPI track changes in prices over time. The annual percentage change in a CPI is generally used as a measure of inflation.

**Export Price Index:**

The Export Price Index (EPI) tracks changes in the price which residents of a country receive for the products they export. Increases in the EPI are typically due to strong foreign demand or higher internal costs within the exporter’s country.

**OBSERVATIONS**

* Systemic, banking, and currency crisis happened significantly more often after countries became independent
* Inflation crisis happened more often after countries became independent but some countries also experienced inflation crisis a few times before getting independent
* If country faced banking crisis, then it's quite probable that systemic crisis will also happen shortly
* For the majority of 13 African countries independence led to the raise of inflation rate
* Central African Republic is more prone to systemic and banking crises
* Exchange rate after getting independent did not remain stable. it either raised significantly or fell dramatically
* Decline in global commodity prices such as Oil and petroleum products and other agricultural commodities in 1980s impacted the trade/external accounts of these countries
* Due to limited diversification of their exports and having low capital inflows fluctuations in global commodity prices had strong negative impact on their domestic economy.
* Governments borrowed billions of dollars at high rate of interest under the assumption that oil revenues will help in repayments but they ended up with spending all oil income to their external debt which result in economic breakdowns