

An Empirical Analysis of the Impact of Financial Inclusion and Financial Development on Economic Growth of Nigeria from 1981-2017

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ABSTRACT

This paper examines the impact of financial inclusion and financial Development on Economic growth of Nigeria, for the period 1981-2017. It uses the Ordinary least square technique and also incorporated the Johansen Cointegration test approach. The results show evidence of long and short run relationships between the variables: Real Gross Domestic Product Growth Rate (GRGD), broad Money ratio to GDP (MGDP), Credit to Private Sector ratio to GDP (CPSGDP), Deposits of Rural branches of Commercial banks (DRC) and Loans of Rural branches of Commercial banks (LRC). These findings suggest that achieving greater Financial Inclusion and financial development is a responsibility of all relevant stakeholders and involves collective effort. However, the onus is on the government to make the first step towards financial inclusion and development by establishing the necessary institutional framework, an effective regulatory framework and an environment necessary for successful implementation of any its strategy.

Keywords: Empirical, analysis, financial, inclusion, economic, growth.

INTRODUCTION

The subject of financial development and financial inclusion has continued to attract global attention in development finance and economy over the years. This is due largely, to its capacity to drive the growth and sustainability of an economy. The components of the financial system in Nigeria and other nations are made up of the banking sector, insurance, pensions and the stock market. It has long been recognized that the financial systems and financial markets play an important role in a country's economic growth and development. [1] underscore the fact that the financial systems performs the function of mobilizing savings, allocating capital, providing an efficient payment system, monitoring and exerting corporate governance as well as ameliorating risk. The same view was held by [2]. The extent to which a nation's

financial system is developed is a key determinant of the ability of the system to effectively and efficiently perform these core functions.

Given that millions of people are excluded from formal financial services globally, there is a potential loss of deposits or savings, loss of investible funds and an attendant loss of capacity of the global economy to generate wealth. Recently, the Central Bank of Nigeria (CBN), deposit money banks, licensed mobile money operators and super agents unveiled a new initiative designed to extend financial services to 60 million financially excluded Nigerians by year 2020. Known as the Shared Agent Network Expansion Facilities (SANEF), the initiative entails an aggressive roll out of 500,000 agent networks to offer basic financial services, such as Cash-in, Cash-out, funds transfer,

bill payments, airtime purchase, government disbursements as well as enrolment on the Bank Verification Number (BVN) to an estimated 50 million Nigerians that are currently under-banked. This is aimed at aggressively pursuing the CBN 2020 Financial Inclusion target in an integrated way with minimal systemic risk to the financial system. This initiative will also generate 500,000 new jobs over the next two years, [3]. To this end, renewed focus will be given to driving low cost digital access, broadening financial literacy campaigns, and creating micro loans, micro insurance, micro investment products for benefit of excluded, under-served and low income Nigerians.

Access to financial services is widely acknowledged as capable of promoting credit creation and enhancing capital accumulation thereby raising the level of investment and economic activity. Access to finance is an essential policy tool used by governments and policy makers to stimulate economic growth. By making finance available and affordable to economic agents, there is a growth of economic activities and hence growth of output. Financial inclusion offers a platform for both low and high income earners to be integrated in the financial system for inclusive growth.

According to [4], the history of financial inclusion in Nigeria dates back to 1976 with the constitution of a 14-member committee under the chairmanship of a distinguished economist, Dr. Pius Okigbo to, among other things, examine the adequacy, relevance or otherwise of the structure of the Nigerian financial system to meet the needs of the economy for rapid development. Following from the committee's report, the rural banking scheme was introduced in 1977 to, among other things, promote the habit of banking among the rural population, harness their savings, enhance delivery of credit to the active rural poor and thereby reduce the flight of both funds and people from the rural to urban areas. Over the years, the scheme which started with the extension of conventional banking

services to the rural areas through establishment of commercial banks' branches in those areas has taken various forms such as People's banking, community banking and lately, microfinance banking. The program was re-launched in Nigeria in 2012 as financial inclusion strategy for promotion of enhanced economic growth and development. However, in spite of the about four decades of implementation of financial inclusion in Nigeria, available statistics show sub-optimal performance. In terms of credit accessibility, Nigeria's financial inclusion index is not encouraging compared to other countries within its bracket. For instance, Key Indicators of World Bank (2014) shows only 27% of Nigerians from the age of 15 and above has Formal savings and only 5% of such goes for formal borrowing.

Financial inclusion has continued to assume increasing recognition across the globe among policy makers, researchers and development oriented agencies. Its importance derives from the promise it holds as a tool for economic development, particularly in the areas of poverty reduction, employment generation, wealth creation and improving welfare and general standard of living. A Report on Financial Inclusion by the World Bank which was updated on 5th April, 2017 revealed that an estimated two billion working-age adults (more than half of the world's total adult population) do not have an account at a formal financial institution. Financial Inclusion efforts seek to ensure that all households and businesses, regardless of income level, have access to and can effectively use the appropriate financial services they need to improve their standard of living. It is against this background that this research is being carried out

Statement of the Problem

The term FI (Financial inclusion) came into limelight in the early 2000s, emanating from a research finding that emphasized poverty as a direct consequence of financial exclusion. The drive for FI is aimed at ensuring that all adult members of the society have easy

access to a broad range of financial products, designed according to their needs and provided at affordable costs. These products include payments, savings, credit, insurance and pensions. Nigeria presently operates a dual financial system, with the formal and informal financial sectors operating side by side but with little or no interaction. Money outside the banking sector was estimated at N12.67 trillion as at December 2016. Current statistic shows that in the year 2016, a total of 39.2 million adult Nigerians (46.3% of the adult population of 84.7 million) were financially excluded with no access to either formal or informal finances. Further analysis revealed that 54.4% of the excluded populations were women, 73.8% were less than 45 years (Productive age), and 34.0% had no formal education, while 80.4% reside in rural areas. Nigeria has 28.6 million bank accounts with a population of over 168 million people, and 89.7 million adults [5].

Financial system plays the important role of promoting economic growth and development through financial intermediation by channeling funds from the surplus unit to the deficit unit of the economy. Many studies have established that financial development tends to increase economic growth and reduce inequality and poverty [6]. It is established in literature that a financial system with banks as its major component, provides linkages for the different sectors of the economy and encourages a high level of specialization, expertise, economies of scale and a conducive environment for the implementation of various government policies, such as non-inflationary growth, exchange rate stability, balance of payments equilibrium and full employment [7]. This is only possible if the financial system is all inclusive. With a larger percentage outside the purview of government, financial systems cannot achieve the objective of economic growth. Thus, the monetary and price stability objective of the CBN will become elusive. A well-functioning financial system drives

economic growth, creates a platform for financial intermediation by providing savings, credit, payment, and risk management products to people with a wide range of needs. Financially inclusive systems allow an easy broad based access to financial services by making customized financial products available at an affordable price without stringent documentation, particularly to the poor or other disadvantaged groups within the economy. Without financially inclusive systems, the poor would rely on their limited savings for future investments and small enterprises would not be able to pursue promising growth opportunities because they would have to rely on their limited earnings. This is the reason for the persistent income inequality and drag in the economic growth of most developing countries. Globally, savings mobilization policies and programs are regarded as a catalyst of FI. The first step to a committed inclusion program, as it relates to formal bank customer relationship, starts with the opening of a savings account. Increased savings can be engendered by including the poor and disadvantaged groups in the formal financial system. Given their large numbers, this small savings group represents a means of financial diversification which can enhance financial stability and economic growth of a country. However, when financial development is not entirely inclusive; especially when it tilts heavily towards the wealthy, it may dampen economic growth [8]. It is interesting to note that after the Maya Declaration of 2011 on FI for the unbanked; FI became a focus for policy makers and researchers alike because of its link to economic growth. [9] state that empirical evidence indicates a distinct rise in income level of countries with a high number of commercial bank branches and higher number of bank branches (NBB) per 100,000 adults and more number of deposit accounts per 1000 adults was observed in high income countries, than countries in the low and middle income categories. At the micro level of the economy, increasing FI

portends so many positive developments with respect to improving the growth rate of the economy [10]. This further buttresses the conclusion of [11] that people who are financially included tend to be more productive, by consuming and investing more. It is on this premise that this study set out to investigate the link between financial inclusion, financial development and economic growth in Nigeria.

Research questions

The following research questions will guide this research;

1. What is the impact of financial inclusion and financial development on economic growth of Nigeria?
2. What is the Long run relationship between financial inclusion, financial development and economic growth in Nigeria?

Objectives of the Study:

In line with the basic objective of promoting rapid economic growth and

development through inclusive participation of all economic agents in the financial system, this study seeks to examine the link between financial inclusion, financial development and economic growth in Nigeria. The specific objectives of this study are:

1. To examine the impact of financial inclusion and financial development on economic growth of Nigeria.
2. To examine the long run relationship between financial inclusion, financial development and economic growth in Nigeria.

Statement of the Hypotheses

H₀1: financial inclusion and financial development have no significant impact on economic growth in Nigeria.

H₀2: There is no long run relationship between financial inclusion, financial development and Economic growth in Nigeria.

METHODOLOGY

Research Design

Research design is a kind of blueprint that guides the researcher in his or her investigation and analyses. The research design that will be adopted for this research is the *ex-post facto* research design. This is because the *ex-post facto* research design also called causal comparative research is used when the researcher intends to determine cause-effect relationship between the independent and dependent variables with a view to establishing a causal link between them.

Theoretical framework

The study is hinged upon solows economic growth theory. Solow model is an economic model of long-run economic growth set within the framework of Neoclassical economics. It attempts to explain long-run economic growth by looking at capital accumulation, labor or population growth, and increases in productivity, commonly referred to as technological progress. At its core is a Neoclassical (aggregate) production function, often specified to be of Cobb-

Douglas type, which enables the model "to make contact with microeconomics". The standard Solow model predicts that in the long run, economies converge to their steady state equilibrium and that permanent growth is achievable only through technological progress. Both shifts in saving and in population growth cause only level effects in the long-run (i.e. in the absolute value of real income per capita).Mathematically, the Solow-Swan model is a nonlinear system consisting of a single ordinary differential equation that models the evolution of the per capita stock of capital. His theory is based on the assumption that, the production (economic growth) takes place according to the linear homogeneous production function of first degree of the form

Where,

$Y = F(K, L)$

Y = Output

K = Capital Stock

L = Supply of Labour force

The above function is neo-classic in nature. There is a constant return to scale

based on capital and labour substitutability and diminishing marginal productivities. The constant returns to scale means if all inputs are changed proportionately, the output will also change proportionately. The production function can be given as $aY = F(aK, aL)$. The theory explained the relationship between the behaviour of savings and investment in relation to changes in output. Stating that savings is the constant fraction of the level of output. In this way, Solow adopts the Harrodian assumption that investment is in direct and rigid proportion to income.

Model Specification

The Basic Model

In this study, the method of multiple linear regression approach is adopted. The functional relation of the model is given as:

$GDPGR = f(MGDP, CPSGDP, DRC, LRC)$

The Econometrics model is specified as follows:

$GDPGR = \beta_0 + \beta_1 MGDP + \beta_2 CPSGDP + \beta_3 DRC + \beta_4 LRC + \mu$

Where: $GDPGR$ = Real Gross Domestic product Growth Rate

$MGDP$ = Broad money ratio to GDP (Financial deepening indicator)

$CPSGDP$ = credit to private sector ratio to GDP (Financial deepening indicator)

DRC = Deposits of rural branches of commercial banks

LRC = Loans of Rural branches of commercial banks

$\beta_0, \beta_1, \beta_2, \beta_3$, and β_4 = parameters and μ = Stochastic Error term

Apriori expectations are: $\beta_1, \beta_2, \beta_3$ and $\beta_4 > .0$

Variable measurement and definition

In analysing the relationship between financial inclusion, financial development and economic growth in Nigeria we adopted the OLS method, real Gross Domestic product Growth Rate ($GDPGR$) is the dependent variable, while proxies for financial inclusion and Financial developments; Broad money ratio to GDP ($MGDP$), credit to private sector ratio to GDP ($CPSGDP$), Deposits of rural branches of commercial banks (DRC) and Loans of Rural branches of commercial banks (LRC)

are independent variables. The provision of credit facilities to a wider segment of the society is an avenue of financial inclusion and development.

Method of Evaluation

The study will make use of OLS analytical method. The analytical procedures involved are; first, unit root test will be carried out for each of the variables so as to ascertain the time series properties of the data set and obtain the stationary status. Next, test of Cointegration will be performed in order to discover the long run relationship properties of the data, followed by ECM and Estimation analysis. The t-test and F-test probability ratio will show the significance of the coefficient of each independent variable and the joint influence. An independent variable (parameter) is said to be statistically significant (or a hypothesis is said to be rejected) at 5% when the probability value is less than 5% (0.05).

Unit Root Test for Stationarity

Unit root test or stationarity test is a preliminary test done to prevent running a spurious regression. It is equally done to ensure that the assumptions of the classical linear regression model (CLRM) are fulfilled. Unit root test is used to ensure that all the time series data have a constant mean, constant variance and constant covariance.

The augmented dickey-fuller (ADF) test would be used for this analysis since it adjust for serial correlations.

Decision rule

If the augmented dickey-fuller (ADF) test statistics is greater than the mackinnon critical value at 5% the variables is said to be stationary, otherwise it is non-stationary (values are checked in absolute)

A variable is stationary of the order in which its ADF test statistic is greater in absolute value than the ADF critical values at different levels of significance.

Co-integration test

To ascertain the long-run relationship between the dependent and independent variables. The study will employ Johansen Cointegration test. Cointegration is a statistical property

possessed by some time series data that is defined by the concepts of stationarity and the order of integration of the series. A stationary series is one with a mean value which will not vary with the sampling period. For instance, the mean of a subset of a series does not differ significantly from the mean of any other subset of the same series. Further, the series will constantly return to its mean value as fluctuations occur. In contrast, a non-stationary series will exhibit a time varying mean. The essence is to observe the long run dynamics. Johansen is applied because all the variables are stationary at first difference, which satisfied the rule of Johansen.

Decision Rule

Ho: = 0 (there is no co-integration among the variables)

H1: ≠ 0 (there is co-integration among the variables)

If the trace or max-eigen test statistics value is greater than its critical value in absolute terms at 5% level of significance,

PRESENTATION AND ANALYSIS OF RESULTS

Empirical Results

This section presents and analyses the estimated results based on the model specified in the previous section. In order to conduct a comprehensive dynamic analysis preliminary unit roots tests are performed on the data. The importance of stationarity of time series used in regression borders on the fact that a non-stationary time series is not possible to

we reject Ho and accept H1. This means that there is co-integration among the variables of study.

The Error Correction Mechanism

The researcher used Error Correction Model (ECM) to capture the short run properties. The error correction term must be negative. A higher value signifies superiority. In order to test for the dynamic relationship between the variables in the model, the study compares the speed of adjustment using the ECM mechanism. If the ECM term is positive, it means that it is not in equilibrium. The ECM term is expected to be negative.

Data Required and Sources

The data (GDPGR, MGDG, CPSGDP, DRC, LRC) used in this research are from secondary sources. All the data employed were sourced from Central Bank of Nigeria statistical bulletin 2017.

Econometrics Software

Eviews 9 econometric software will be utilized for the analysis.

generalize to other time periods apart from the present. This makes forecasting based on such time series to be of little practical value. Moreover, regression of a non-stationary time series on another nonstationary time series may produce spurious result. The Augmented Dickey Fuller (ADF) test is employed in order to analyze unit roots.

Unit root test The Augmented Dickey Fuller (ADF) test

Variables	ADF Test Statistics	5% Critical value	Order of integration
GRGDP	-8.823064	-3.544284	I(1)
CPSGDP	-6.300769	-3.544284	I(1)
MGDP	-5.538788	-3.544284	I(1)
DRC	-4.694379	-3.595026	I(1)
LRC	-6.355122	-3.557759	I(1)

The Augmented Dickey-Fuller (ADF) test for stationarity at 5% level of significance shows that in GRGDP, CPSGDP, MGDG, DRC and LRC variables, there are unit root problem in the variables as they are not stationary at level form. However, the variables became stationary at the same order of integration (first difference). This implies that we cannot use the variables as they are for time series OLS regression, given that one of the conditions of time series regression is that the variables must be stationary. Where a unit root problem is found in the model, a cointegration test will be done to determine the existence of a long-run relationship between variables and followed by an error correction model in order to adjust the short-run disequilibrium to long-run equilibrium.

Test of Cointegration

According to [12] a regression involving non-stationary time series variables will produce spurious (non-meaningful) results. But if such variables are cointegrated, having long run relationship, the result will therefore be acceptable. Econometrically speaking, two variables will be cointegrated if they have a long run equilibrium relationship between them [13] to test for cointegration among the variables, since all the variables are stationary at first difference, we apply Johansen Cointegration test. Johansen testing procedure is a powerful statistical tool in the estimation of level relationships when the underlying properties of time series are entirely I (1).

The cointegration test result is as follows

Date: 11/11/18 Time: 08:13
 Sample (adjusted): 1983 2017
 Included observations: 35 after adjustments
 Trend assumption: Linear deterministic trend
 Series: GDPGR MGDG DRC LRC CPSGDP
 Lags interval (in first differences): 1 to 1

Unrestricted Cointegration Rank Test (Trace)

Hypothesize d	Eigenvalue	Trace Statistic	Critical Value	Prob.**
None *	0.856267	108.1673	69.81889	0.0000
At most 1	0.388873	40.27439	47.85613	0.2128
At most 2	0.326353	23.03864	29.79707	0.2442
At most 3	0.224816	9.211930	15.49471	0.3462
At most 4	0.008506	0.298994	3.841466	0.5845

Trace test indicates 1 cointegrating eqn(s) at the 0.05 level
 * denotes rejection of the hypothesis at the 0.05 level
 **MacKinnon-Haug-Michelis (1999) p-values

Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesize d	Eigenvalue	Max-Eigen Statistic	Critical Value	Prob.**
None *	0.856267	67.89295	33.87687	0.0000
At most 1	0.388873	17.23575	27.58434	0.5598

At most 2	0.326353	13.82671	21.13162	0.3794
At most 3	0.224816	8.912937	14.26460	0.2935
At most 4	0.008506	0.298994	3.841466	0.5845

Max-eigenvalue test indicates 1 cointegrating eqn(s) at the 0.05 level
 * denotes rejection of the hypothesis at the 0.05 level
 **MacKinnon-Haug-Michelis (1999) p-values

Johansen Cointegration test was carried out using Eviews 9.statistical software package; From the result, Trace and Max-eigenvalue indicates a cointegrating equation at 0.05 level of Significance

.Hence there is long run relationship between the variables. Since the variables are cointegrated on the long run, we therefore estimate the ECM

Error Correction Mechanism

Dependent Variable: D(GDPGR)

Method: Least Squares

Date: 11/11/18 Time: 08:20

Sample (adjusted): 1982 2017

Included observations: 36 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.017805	1.168055	-0.015243	0.9879
D(CPSGDP)	-0.106770	0.770835	-0.138512	0.8908
D(MGDP)	-0.024380	0.956352	-0.025492	0.9798
D(DRC)	0.000187	7.73E-05	2.420081	0.0218
D(LRC)	1.14E-05	6.64E-06	1.720021	0.0957
ECM(-1)	-0.674410	0.162899	-4.140038	0.0003

R-squared	0.519222	Mean dependent var	0.386886
Adjusted R-squared	0.439093	S.D. dependent var	8.903261
S.E. of regression	6.667986	Akaike info criterion	6.783524
Sum squared resid	1333.861	Schwarz criterion	7.047444
Log likelihood	-116.1034	Hannan-Quinn criter.	6.875640
F-statistic	6.479781	Durbin-Watson stat	1.837976
Prob(F-statistic)	0.000340		

The error correction coefficient, which indicates the speed of adjustment, has a negative sign. This is expected as it is the condition for accepting the model. From

the result of the model presented above, the ECM is -0.674410 which means that the speed of adjustment in the short run is 67 %.

Interpretation of the estimation from the ECM,

A unit change in credit to private sector ratio to GDP (CPSGDP) will lead to real Gross Domestic product Growth Rate (GDPGR) to decrease by 0.106770, a unit change in Broad money ratio to GDP (MGDP) will lead to real Gross Domestic product Growth Rate (GDPGR) decrease by 0.024380, a unit change in Deposits of rural branches of commercial banks (DRC) will lead to real Gross Domestic product Growth Rate (GDPGR) increase by 0.000187 and a unit change in Loans of Rural branches of commercial banks (LRC) will lead to real Gross Domestic product Growth Rate (GDPGR) increase by 1.14E-05.

R² value of 0.52 means that the independent variables can explain about 52 percent changes in economic growth of Nigeria (GDPGR).

The prob(t-statistics) for private sector ratio to GDP (CPSGDP), Broad money ratio to GDP (MGDP) and Loans of Rural branches of commercial banks (LRC) shows the variables independently are not statistically significant and prob(t-statistics) for Deposits of rural branches of commercial banks (DRC) shows that the

The work examined the effect of financial inclusion, financial development and economic growth in Nigeria for the period 1981 to 2017. The study shows a long and short run relationship between the dependent variable (GRGDP) and the independent variables (CPSGDP, MGDP, DRC & LRC). R² value of 52% shows high explanatory power of the independent

In light of the above, it is undeniable that financial inclusion and development is integral to any nation's economic development, especially for developing countries like Nigeria. Greater Financial Inclusion and development is achieved when every economic activity, geographical region and segments of the society have access to financial information, financial assistance, financial services and financing with ease and at minimal costs. This helps promote

value is independently statistically significant. Prob(F-statistic) 0.000000 shows that the variables are jointly significant.

Test of Hypotheses

Hypothesis I

H₀1: Financial inclusion and financial development has no significant impact on economic growth in Nigeria. Result of the t-statistics of the error correction model showed that the variables of DRC are statistically significant determinants of economic growth in Nigeria. Furthermore, the f-statistics revealed the significance of the joint influence of the independent variables on economic growth of Nigeria. Therefore, we reject the null hypothesis and conclude that financial inclusion and financial development has significant impact on economic growth in Nigeria

Hypothesis II

H₀2: There is no long run relationship between financial inclusion, financial development and Economic growth in Nigeria. From the result of the cointegration test, we reject the null hypothesis and conclude that there is long run relationship between financial inclusion, financial development and Economic growth in Nigeria

SUMMARY

variables on the dependent variable. Prob(F-statistic) 0.000340 shows that the variables are jointly significant. Trace and Max-eigenvalue indicates a cointegrating equation at 0.05 level of Significance. Hence there is long run relationship between the variables. Since the variables are cointegrated on the long run.

CONCLUSION

balanced growth through the process of facilitating savings and investment and thus causing efficient resource allocation from surplus sectors of the society to deficit sectors of the society. By this process, financial transactions are made easy, income level and growth increases with equity, and poverty is eliminated, while the economy becomes insulated from external shock.

Achieving greater Financial Inclusion and development is a responsibility of all

relevant stakeholders and involves collective effort. However, the onus is on the government to make the first step towards Financial Inclusion by establishing the necessary institutional

framework, an effective regulatory framework and an environment necessary for successful implementation of any Financial Inclusion and development strategy.

RECOMMENDATIONS

1. Following from the above findings, it is recommended that the authorities in Nigeria should not only deepen financial inclusion efforts through enhanced credit delivery to the private sector but should also strengthen the regulatory framework in order to ensure efficient and effective resource allocation and utilization.
2. There should be reduction of the costs of financial intermediation
3. Adoption of policy/measures to improve institutional and legal framework for financial market operation.
4. The promotion of collaboration between Deposit Money Banks (DMBs), Microfinance Banks (MFBs) and Communication services providers for enhanced intermediation of financial services should be encouraged.
5. There is need to educate rural dwellers on the importance of banking as it would facilitate the success of CBN financial inclusion policy.
6. Since some of the rural dwellers preferred to keep money under their pillows at home, there should be proper enlightenment to change their orientation on financial inclusion in Nigeria. Hence Banks should educate the rural dwellers on the relevance of banking. The government should also improve

infrastructure facilities (markets, roads, water supply, electricity etc.) in the rural areas. This improvement would attract people and economic activities into the rural areas. The attraction of people and economic activities into the areas would improve the activities of the financial inclusion in the rural areas through pooling of more credit to their folds, thus improve the credit accessibility of the rural dwellers.

7. Investor's confidence in the money market should be sustained by the improvement of security and legal framework which will stimulate information disclosure and reduce misrepresentation and other financial malfeasances, leading to improved investors' confidence building, thereby enhancing market participation, investment and economic growth stimulation. Policies and measures should be adopted to foster a well regulated transparent banking system with high level of competition. Efficient prudential supervision of money markets in Nigeria with high emphasis on surveillance measures which are indeed germane to maintaining and sustaining the soundness and safety of the banking sector should be done.

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Appendix

Year	GDPGR	DRC	CPSGDP	LRC	MGDP
1981	-13.12788	0	5.9	0	10
1982	-1.053186	0	6.9	0	10.2
1983	-5.050451	0	7.2	0	10.9
1984	-2.021538	0	7.3	0	11.8
1985	8.3228297	0	6.8	0	11.6
1986	-8.754177	0	7.5	0	11.8
1987	-10.7517	0	8.5	0	11.1
1988	7.542522	0	8.5	0	12
1989	6.4671911	0	7.3	0	11
1990	12.766009	0	6.7	0	10.6
1991	-0.617851	0	6.9	0	12.7
1992	0.4337254	0	6.4	0	12.2
1993	2.0903778	0	10.1	0	13.1
1994	0.9097633	0	8.1	0	13.1
1995	-0.307469	0	6.2	0	10
1996	4.9937055	0	6.3	0	9.2
1997	2.8022564	0	7.7	0	10.1
1998	2.7156402	0	7.7	0	10.6
1999	0.4742376	0	8.1	0	11.9

2000	5.3180934	0	7.7	0	12.7
2001	4.4110652	16875.9	9.4	12,341.00	15.6
2002	3.7846482	14861.6	8.2	8,942.20	13.3
2003	10.354185	20551.8	8.2	11,251.90	14.7
2004	33.735775	64490	8.2	34,118.50	12.3
2005	3.4446668	18461.9	8.3	16,105.50	11.8
2006	8.2109649	3118.6	8.0	24,274.60	13.3
2007	6.8283983	3082.3	11.2	27,263.50	15.5
2008	6.2702637	13411.80756	17.7	46,521.50	20.5
2009	6.934416	3296.227358	23.1	15,590.50	24.3
2010	7.8397395	20.79	18.0	16,556.00	21.1
2011	4.8873866	20.18407291	22.5	19,980.30	21.1
2012	4.2792773	19.72321704	21.1	22,580.00	21.6
2013	5.3944163	20.5	20.2	739,923.30	19.6
2014	6.3097186	480.3172218	20.4	988,587.90	21.2
2015	2.6526933	90374.09	19.9	29,169.20	21.3
2016	-1.616869	87930.95479	21.7	43,776.90	23.2
2017	0.8023456	82390.3	19.6	530,992.2	21.2