

# THE LINK BETWEEN FINANCIAL LIBERALIZATION AND ECONOMIC GROWTH IN NIGERIA (1970-2013)

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## **ABSTRACT**

The study examines the link between financial liberalization and economic growth in Nigeria. The study adopts Ordinary Least Square method, co-integration test and Augmented Dickey fuller (ADF) procedure. The descriptive statistics for the dependent and independent variables, RGDP, DEEP, OPEN, LENDING, EXCHR and INF all have a positive mean value which ranges from 14.71844 to 2135488 with a 44 observations. The highest standard deviation of 5562937 is recorded by RGDP rate while the least standard deviation of 6.345961 is recorded by LENDING. The probabilities of Jarque-Bera test of normality for variables are all greater than 5% level of significance which indicates that the data are normally distributed. The regression estimates of financial liberalisation equation shows that three of the coefficients of the explanatory variables DEEP, OPEN and EXCHR have positive signs while the coefficient of LENDING and INF indicates a negative signs, this implies increase in the bank lending rate reduces loan able fund thereby decreasing growth rate.