

Government Financial Liberalisation Policy and the Development of Private Sector in Nigeria: Issues and Challenges*

by Tomola M. Obamuyi

This paper assesses the impact of Nigeria's financial liberalisation policy for fostering private sector development. Relevant data relating to the influence of the policy on macro-economic performance and private sector development were obtained from primary and secondary sources. The analyses were descriptive and quantitative in perspective. The findings provided insights on the overall impact of financial liberalisation policy on the private sector. Surprisingly, credits to private sector were not found to have a positive impact on economic growth in Nigeria. This implies that credits to private sector were used for commerce (buying and selling), or diverted to some unproductive ventures, rather than production activities, or at least too small to positively impact on economic growth. However, poor infrastructure, high level of corruption, political and economic instability and high cost of funds were found to have constrained the contribution of the private sector to economic development. The policy implication is that the private sector in Nigeria could only be a positive force for growth, if the government would sincerely provide the needed conducive environment and the private sector efficiently utilises banks' credits for industrial development. This study will assist policy makers in fine-tuning their liberalisation policy and the private sector to adopt a value re-orientation approach to enhance the performance of the economy, especially in developing countries.

Key words: Government Policies, Flow of Funds, Private Sector, Economic Development

Introduction

Nigeria is one of the richest countries in Africa with a population of about 144.7 million (World Bank 2007). The country is endowed with human and natural resources - 8th largest oil producer and 6th largest deposit of gas. Despite the rich resources and large internal market, the country is being regarded as a low income country. All indicators of social and economic development pointed to a significant weakening in the country's performance. For instance, in 2007, the country had a real GDP growth rate of 6.2 per cent, industrial utilisation of 45.2 per cent, and life expectancy of 47.77 per cent. There is evidence that a small proportion of the population (estimated at 20 per cent) account for up to 80 per cent of the nation's wealth (Nigerian Banking Report 2008). Over half of the population lives in absolute poverty. The argument is that Nigeria is not a poor country, but a poorly managed country.

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Economists refer to the coexistence of vast natural resources and extreme personal poverty in developing countries like Nigeria as the ‘resource curse’ (Wikipedia 2007). The bane of Nigeria’s poor development has been over dependent on the public sector, mismanagement of resources, fraud, and economic instability.

The attempt to strengthen the private sector by the government led to the implementation of financial liberalisation policy in 1986 as part of the Structural Adjustment Programme (SAP). The country also adopted a medium-term strategy, called the National Economic Empowerment and Development Strategy (NEEDS) in 2004, as a response to the numerous challenges facing the nation. Recently, the government approved vision 20-2020 for transforming the country into a modern economy, among the 20 leading countries in the world by 2020 (The Times of Nigeria 2008). The objective of the vision 20-2020 is in line with various studies and projections by Goldman Sachs that Nigeria will be the 20th and 12th largest economy of the World by 2025 and 2050 respectively ahead of Italy, Canada, Korea, among others (Skyscraper City 2006), and Africa biggest economy by 2050 (Business Economy, 2008). The vision 2020 is to be realised through the growth of the private sector. However, as Solanke (2007) argues, the state of the private sector, its characteristics, disposition and resilience would determine in substantial respects how far the lofty objectives of repositioning Nigeria’s economy can be achieved.

Hence, the fundamental questions that need to be answered are: (i) Had the policy of financial liberalisation significantly influenced the performance of the Nigerian economy? What are the key constraints that have retarded the growth of the private sector? Based on the research questions, the specific objectives of the study are to:

- i. investigate the impact of financial liberalisation policy on private sector development using some major indicators of economic performance.
- ii. identify the constraints to increasing development of the private sector in Nigeria

This paper is relevant and timely, especially at this period when all the countries of the world are emphasising private sector development as a catalyst for economic growth. The paper has clearly shown that development through private sector is feasible with the commitments of all stakeholders in the economy.

Literature Review

Private Sector Development in Nigeria

Since the First Republic in 1960, the government has been playing active role in promoting industries in the country. Government policy was predicated on the premises that industrialisation contributes directly to economic growth, effective use of available resources, employment generation and reduction of dependence on imports (Federal Ministry of Industry 2007). Unfortunately, the country lacks the technological capability and the infrastructural facilities to attract investments and sustain industrial growth. The problem was compounded by absence of supportive enabling investment climate. There was massive wastage of the revenue from the oil boom without any regard for serious economic planning for the productive sector. Thus, by early 1981, the country started experiencing serious difficulties. The climax was reached in 1985 when the external sector became virtually unmanageable. The introduction of the Structural Adjustment Programme (SAP) in September, 1986, brought a number of sectoral reforms to the economy, including financial liberalisation policy. The policy of SAP involves a reduction in the role of the public sector in production activities through the processes of privatisation/commercialisation of public sector investment. Privatisation means radical shift in ownership of enterprises in the country by the public sector to the private sector. Thus, financial liberalisation provides a mechanism intended to facilitate the flow of funds for private sector development. The improved financial environment is expected to stimulate the level of investment and income, enhance

manufacturing capacity utilisation, reduce poverty, increase per capita income, and by extension lead to economic growth.

To achieve the objective of private sector-led economy, government introduced the National Economic Empowerment and Development Strategy (NEEDS). The National Economic Empowerment and Development Strategy (NEEDS) 2004-2005 is Nigeria's reform based medium-term plan for economic recovery, growth and development. NEEDS was conceptualized in 2003 and launched in 2004, as response to the numerous challenges facing the nation. The four goals of NEEDS are poverty reduction, wealth creation, employment generation and value re-orientation. The government hopes that NEEDS will diversify the economy, boost non-energy exports, increase industrial capacity utilisation, and improve agricultural productivity (Wikipedia 2007). Each of the 36 States of the Federation has also developed the State Economic Empowerment Development Strategy (SEEDS).

Financial Liberalisation Policy in Nigeria

The declining economic performance of many less developed countries (LDCs) has generated a lot controversy on the issues of growth and development. The arguments are in line with McKinnon (1973) and Shaw (1973) that financial liberalisation promotes growth. This is because financial liberalisation raises the level of savings and investment and improves the quantity, and quality, of investment, thereby raising the growth rate and improves living standards in the countries concerned.

In Nigeria, the attempt to strengthen the private sector (by the government) led to the implementation of financial liberalisation policy in 1986 as part of the Structural Adjustment Programme (SAP). The financial liberalisation policy was seen in the areas of licensing of banks, interest rate administration, saving behaviour and banking credit to the economy. For instance, with the policy of financial liberalisation, the conditions for licensing of banks and other financial institutions were relaxed, leading to proliferation of banks. Thus, by 1993,

about 120 banks have been registered. This scenario brought distress into the financial system. Between 1994 and 2000, a total of 33 banks were liquidated (2 in 1994, 2 in 1995, 26 in 1998 and 3 in 2000). Most of the banks were liquidated as a result of fraud, mismanagement, undercapitalisation and the country economic crises. The implication is that credit flows to the private sector declined, and the banks were forced into employing tighter control in their lending activities to the private sector. By 2005, a clear picture of the problems of the financial sector that may ultimately limit bank lending to the private sector had emerged. As Soludo (2006) observes, the sector was characterised by structural and operational weaknesses such as: Low capital base; Dominance of few banks; Insolvency and illiquidity; Over-dependence on public sector deposits and foreign exchange trading; Poor asset quality; Weak corporate confidence; Low depositor confidence; and Banking sector credit to the domestic economy at 24 per cent of GDP, compared to Africa average of 87 per cent.

In an attempt to make the banking sector sound, stable, reliable, dependable, internationally competitive, and to strengthen its ability to provide credit to the private sector, the Central Bank of Nigeria (CBN) embarked on the financial policy of recapitalisation of banks. The policy, announced on July 6, 2004, directed that the minimum paid up capital of banks be increased from ₦2 billion to ₦25 billion, with effect from January 1, 2006. At the end of the consolidation exercise, out of the 89 existing commercial banks, 25 groups of banks emerged, while 14 banks that could not merge were set for liquidation. To raise the funds, the banks used strategies such as mergers, acquisition, floating of new shares and so on. The hope for the consolidation was that, mega banks would mobilise large amount of funds to provide loanable funds to the productive sector, dominated by the small and medium enterprises in Nigeria. Thus, the tendency is for the SMEs to grow into large and conglomerate firms. However, consolidation presents a new challenge, which requires a more

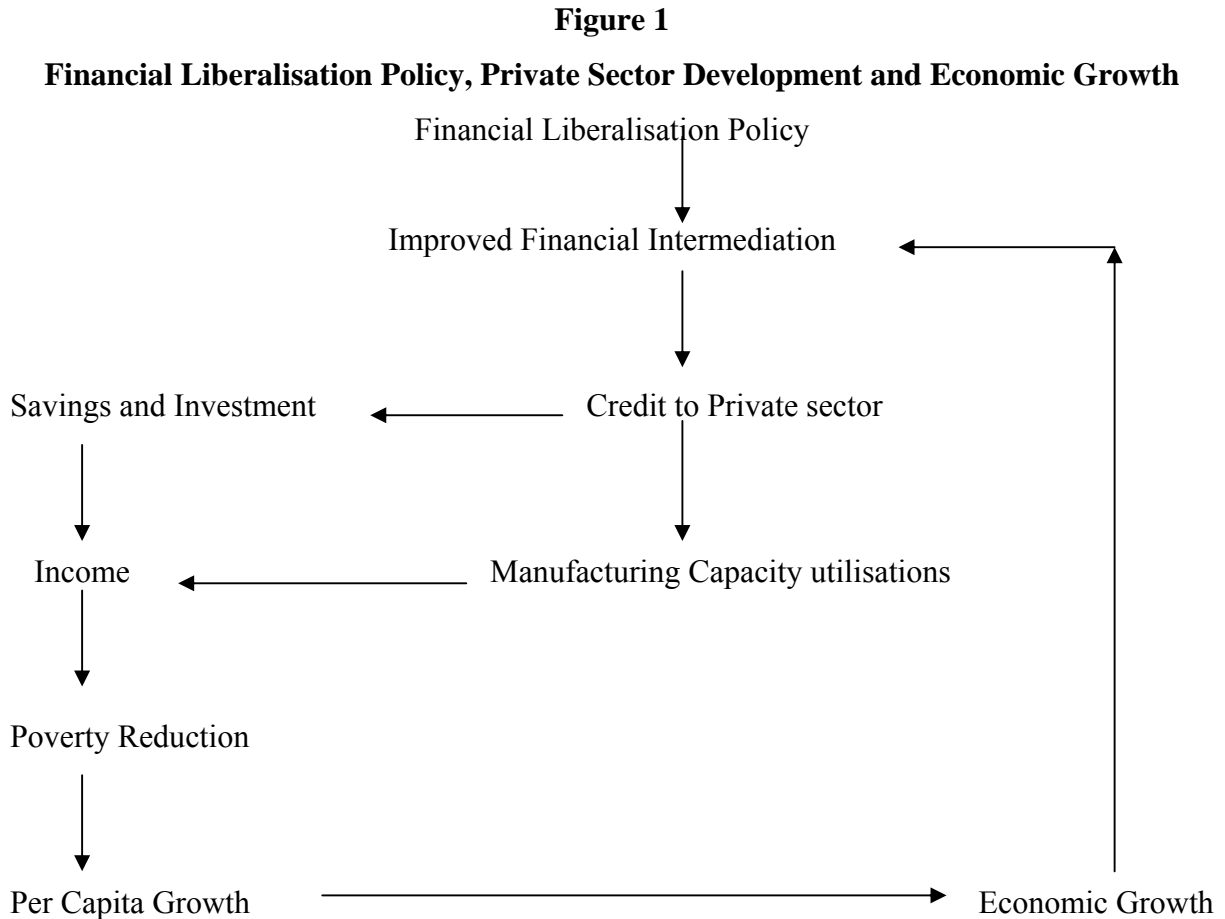
serious effort by the banks to control costs, increase the efficiency in service delivery and remain competitive.

The Central Bank of Nigeria (CBN) also introduced new micro-finance policy (MFP) on 15th December, 2005. The micro finance programme is designed to be private and public sector –driven. The purpose is to allow for the merger of community banks for them to grant both collateralised and uncollateralised loans to finance micro economic activities. The policy also aims at making the financial services accessible to a large segment of the potentially productive Nigerian population who otherwise have little or no access to financial services. The micro finance institutions are to specialise in financing the small and medium enterprises. The challenges before the new micro-finance institutions is how to provide financial assistance to over 65% of the economically active population uncatered for by the formal financial institutions. However, in doing this, the institutions must tighten their lending standards, especially for loans more than 12 months. Similarly, the new micro credit institutions must not be allowed to serve as conduit pipes, like the past government assisted credit schemes, for political office holders who are only interested in embezzling the money. Therefore, the best design of the new micro credit institutions should be private and public sector owned, but privately managed for effective performance and sustainability.

Conceptual and Theoretical Framework

Financial systems have long been recognised to play an important role in economic development. This recognition dates back to Goldsmith (1955), Cameron (1967), McKinnon (1973) and Shaw (1973), which demonstrated that the financial sector could be a catalyst of economic growth if it is developed and healthy. The benefits accruable from a healthy and developed financial system relate to savings mobilisation and efficient financial intermediation roles (Gibson and Tsakalotos 1994).

The goal of financial liberalisation is to provide a mechanism that facilitates the flow of funds for private sector development and generate increased savings and investment and efficient allocation of capital for economic growth.



The improved financial environment stimulates the level of investment and income, on one hand, and enhances manufacturing capacity utilisation, on the other hand. The ultimate effect is to reduce poverty, increase per capita income, and by extension lead to economic growth.

Methodology

The approach adopted for the paper consists of conducting a survey among private sector operators in different sectors of the economy. Relevant data relating to the influence of financial policy on macro-economic performance and private sector development were obtained from primary and secondary sources. The South West States of Nigeria, comprising

Ekiti, Lagos, Ondo, Ogun, Osun and Oyo States, were chosen for the study, because they are the commercial hearts of the country. In each State, 10 private sector entrepreneurial customers were purposively sampled from each of the branches of 5 selected banks (Spring Bank, Skye Bank, Union Bank, First Bank and United Bank for Africa), which were randomly selected from the 25 group of banks that emerged after the consolidation (see Appendix 1). Semi-structured questionnaire was administered for 2 days on sample of 300 private sector operators from the 30 branches of the 5 selected banks in the 6 States. Interviewees needed to meet the following requirements for participation in the study: (a) They must operate current accounts with the banks; (b) They must be business owners, founders or part of a founding group; and (c) The business has a minimum of 5 years experience. The interview commenced at 9.00 am and closed at 3.00 pm daily. The first respondent in a bank was chosen purposively, but the next respondents were systematically selected at an interval of ten minutes after the completion of the questionnaire with the preceding interviewee. The secondary data was obtained from the publications of institutions such as World Bank, Central Bank of Nigeria and document of Government of Nigeria. The data were analysed descriptively with the means of graphs. Finally, a regression analysis was carried out to re-confirm the descriptive results. The gross domestic product (GDP) growth was regressed on credit to the private sector and other macro economic indicators. The relationship is specified thus:

$$\begin{array}{cccccc}
 \text{GDP} = f(\text{CRP}, \text{MCU}, \text{MLR}, \text{SGD}, \text{DGD}) \\
 \qquad \qquad \qquad + \qquad \qquad + \qquad \qquad - \qquad \qquad + \qquad \qquad - \\
 \text{GDP} = \beta_0 + \beta_1\text{CRP} + \beta_2\text{MCU} + \beta_3\text{MLR} + \beta_4\text{SGD} + \beta_5\text{DGD} + \epsilon
 \end{array}$$

Where GDP = Real gross domestic product growth rate, CRP = Growth of Credit to private sector, MCU = Manufacturing capacity utilisation rate, MLR = Maximum lending

rate of banks, SGD = Saving/GDP ratio, DGD = Deficit /GDP rate, and ε = Error term. The *a priori* expectation is that GDP growth rate is positively related to credit to private sector, manufacturing capacity utilisation, and saving/GDP ratio, but negatively related to lending rate.

Hypothesis

Increased flow of funds to the private sector through financial liberalisation policy is a prime determinant of economic growth.

Data Analysis and Findings

Descriptive Statistics of Performance of the Economy

The performance of the economy since 1985 is shown in Table1, with graphical illustration in Figure 2.

Table 1
Performance of the Economy (1985 – 2006)

Year	GDP	CRP	MCU	MLU	SGD	DGD
1985	9.4	5.9	38.3	11.8	17.0	3.9
1986	3.2	26.7	38.8	12.0	19.0	10.4
1987	-0.6	46.7	40.4	19.2	17.0	5.3
1988	10.0	16.9	42.4	17.6	16.0	8.5
1989	7.3	3.9	43.8	24.6	11.0	7.9
1990	8.3	18.4	40.3	27.7	11.0	8.5
1991	4.7	23.7	42.0	20.8	12.0	11.0
1992	3.0	34.6	38.1	31.2	10.0	10.2
1993	2.3	51.6	37.2	18.3	12.0	15.4
1994	1.3	32.2	30.4	21.0	12.0	7.9
1995	2.2	49.4	29.3	20.8	5.0	0.1
1996	3.4	23.9	36.8	20.8	5.0	1.3
1997	3.2	23.9	37.2	20.9	6.0	1.1
1998	2.4	27.4	34.9	21.8	30.0	-4.8
1999	2.7	29.2	36.0	27.2	30.0	-8.8
2000	5.4	17.5	36.1	26.4	30.0	-1.8
2001	4.7	43.5	59.6	31.2	35.0	-3.1
2002	4.6	19.7	54.9	25.7	4.0	-3.8
2003	9.6	26.8	56.5	21.6	7.0	-2.0
2004	6.6	26.6	55.7	20.4	18.0	-1.5
2005	6.5	30.8	54.8	19.5	19.0	-1.1
2006	5.6	28.2	53.3	18.7	20.0	-0.6

Source: Central Bank of Nigeria Statistical Bulletin and Annual Reports(Various issues)

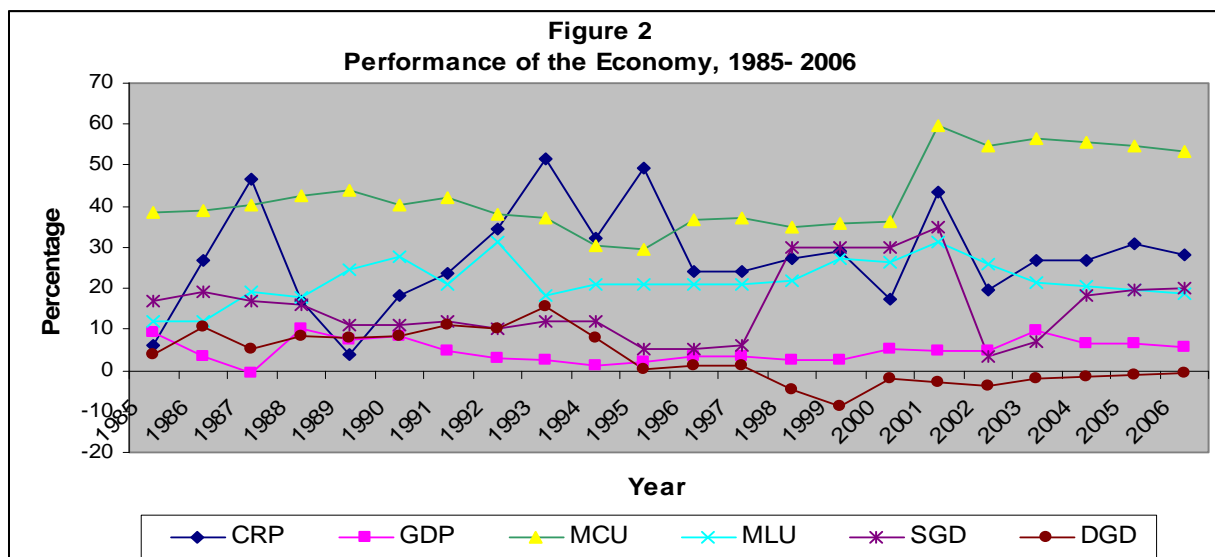


Figure 2 shows that most of the basic factors affecting private investment have not shown a significant improvement over the years. The ratio of savings to GDP fluctuates over the periods. This implies that financial liberalisation did not improve the level of savings, a possible source of increased investment. The poor performance of savings is believed to have resulted from the public loss of confidence in the banking system as a result of distress in the system, especially between 1994 and 1998 and between 2001 and 2002.

The contribution of the financial liberalisation to real GDP growth could only be marginal. The share of private sector credits in the total credits still remained very low, even after the policy. Between 1985– 2006, only average of 27.6 per cent of the total credit to the economy went to the private sector. The bulk of the credit that was channelled to the private sector was mainly directed towards short-term investment. Long term finance is very rare and only the most creditworthy have access to it (World Bank 2002). The private sector, especially the small and medium enterprises (SMEs) are yet to feel the impact of financial liberalisation policy. As Ajayi (2007) observed, the anticipated flow of funds from the banking sector to the real sector which was one of the thrusts of the government policy, is yet to manifest on the economy, especially on SMEs, with the current tendencies of the financial

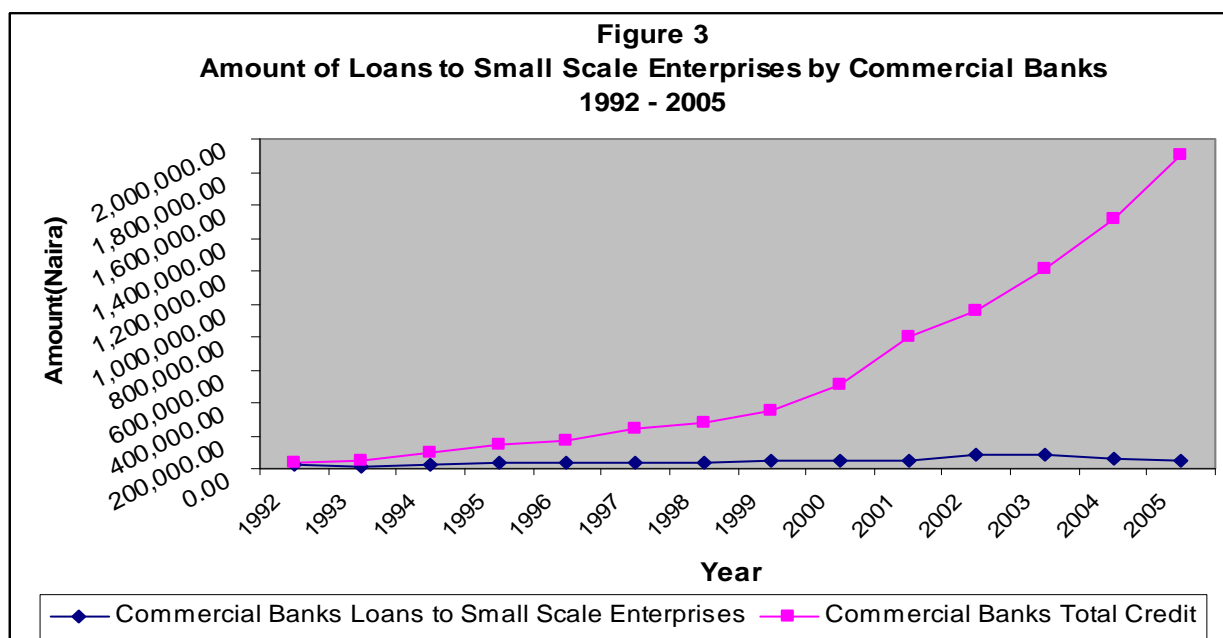
sector reflecting high preferences for mega enterprises. Table 2 shows the credit to SMEs as ratio of total credit to the economy.

Table 2

Ratio of Loans of Small Scale Enterprises to Commercial Banks' Total Credit

Year	Commercial Banks Loans to Small Scale Enterprises (N' Million)	Commercial Banks Total Credit (N' million)	Commercial Banks loans to Small Enterprises as percentage of total credit (%)
1992	20,400.0	41,810.0	48.8
1993	15,462.9	48,056.0	32.2
1994	20,552.5	92,624.0	22.2
1995	32,374.5	141,149.0	22.9
1996	42,302.1	169,242.0	25.0
1997	40,844.3	240,782.0	17.0
1998	42,260.7	272,895.5	15.5
1999	46,824.0	353,081.1	13.3
2000	44,542.3	508,302.2	9.7
2001	52,428.4	796,164.8	6.6
2002	82,368.4	954,628.8	8.6
2003	90,176.5	1,210,033.1	7.5
2004	54,981.2	1,519,242.7	3.6
2005	50,672.6	1,899,346.4	2.7

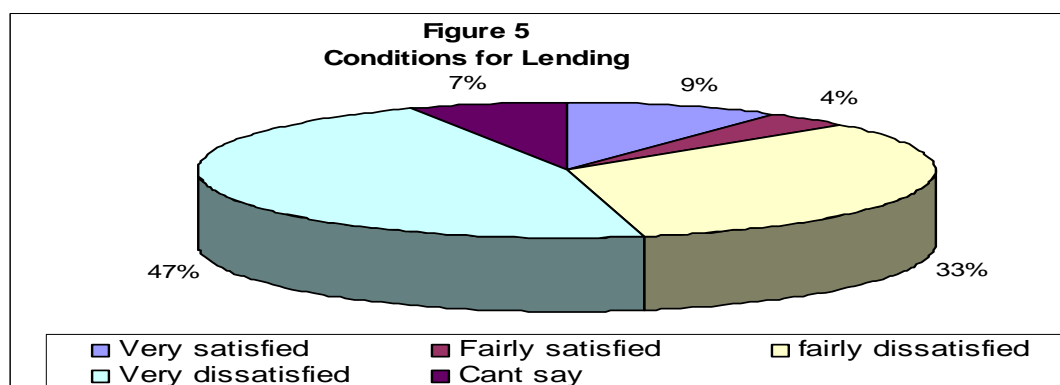
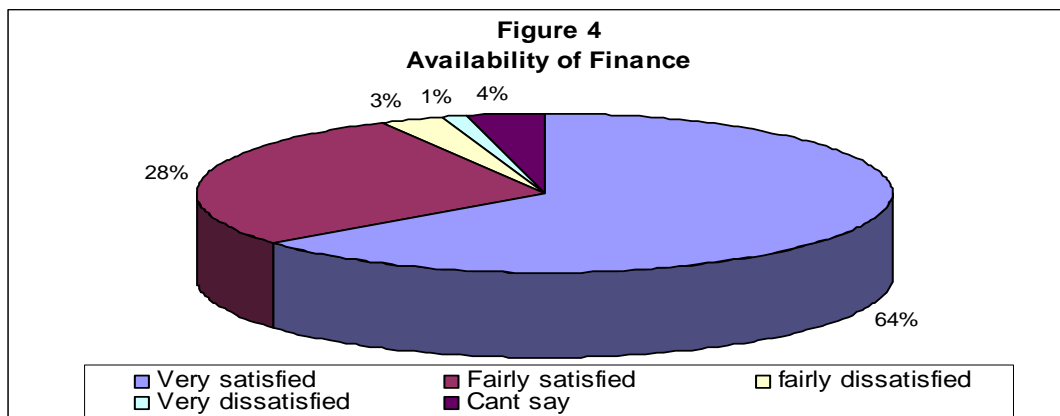
Source: CBN Statistical Bulletin volume 16 December 2005

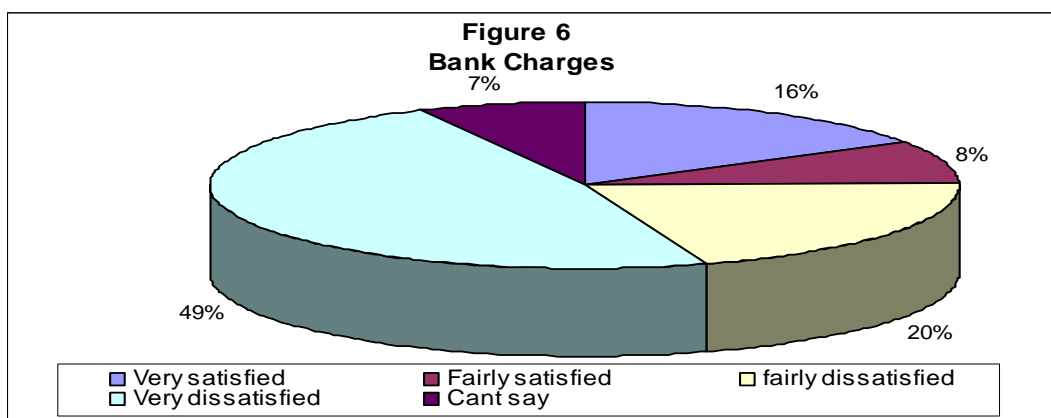


As shown in Table 2 and Figure 3, lending to the SMEs has been declining, despite the introduction of financial policy. Commercial banks were reluctant to give loans to the private

sector, especially SMEs, not because the sector is not viable, but due to the perceived risky nature and lack of government guarantee schemes. Thus, there was a decline from 48.8 per cent in 1992 to 2.7 per cent in 2005. The implication of the information depicted in Figure 3 is that financial liberalisation policy has not generated enough funds for the development of private sector-led economy. This means that government objective of using private sector as a catalyst of development may not be easily achieved

The study further tried to know how the entrepreneurs evaluated the importance, impact and quality of financial policy on the flow of funds to the private sector in terms of availability of finance, conditions of lending, and cost of funds (see Figures 4- 6). The aim was to establish whether bank performance actually improved after the financial liberalisation policy of consolidation.





Although, majority of SMEs (92.7 per cent) are either very, or fairly, satisfied with the liquidity position of their banks, the stringent lending conditions, including various astronomical charges, have made banks' finance unattractive to the private sector. About 80 per cent and 69 percent of the private business operators are dissatisfied with the lending conditions and high cost of funds of the banks respectively. The issue, therefore, is that the banks are liquid and are ready to lend, but the private sector is reluctant to borrow, because of the high transaction costs and other lending conditions. This has the implication of restraining private sector investment, and ultimately retards economic growth.

Regression Results of the Performance of the Economy, 1985 – 2006

In order to determine the explanatory variables that would finally appear in the regression model, a preliminary analysis was carried out in terms of estimating the correlation coefficients of the variables (Table 3).

Table 3
Correlation Analysis

	GDP	CRP	MCU	MLR	SGD	DGD
GDP	1.000	-0.663	0.466	-0.101	-0.043	-0.022
CRP		1.000	-0.070	0.108	0.066	0.038
MCU			1.000	0.154	0.131	-0.324
MLR				1.000	0.165	-0.279
SGD					1.000	-0.394
DGD						1.000

Table 3 displays the matrix of correlation coefficient, showing the degree of relationship between all the variables considered. The correlations among the variables were low. Such correlations show that there is no multi-collinerity problem in the regression analysis. The regression results presented in Table 4 are based on the condition of 5 per cent level of significance.

Table 4
Regression Results of the Performance of the Economy, 1985 – 2006

Dependent Variable: GDP

<i>Independent Variables</i>	<i>Coefficient</i>	<i>t-statistic</i>	<i>Sign. level.</i>
<i>Constant</i>	3.009	0.969	0.347
<i>CRP</i>	-0.146	-4.140	0.001*
<i>MCU</i>	0.152	3.006	0.008*
<i>MLR</i>	-0.038	-0.432	0.671
<i>SGD</i>	0.000	0.008	0.994
<i>DGD</i>	0.0063	0.791	0.440
<i>D. W</i>		2.947	
<i>R2</i>		0.642	
<i>Adj. R2</i>		0.531	
<i>F</i>		5.750	

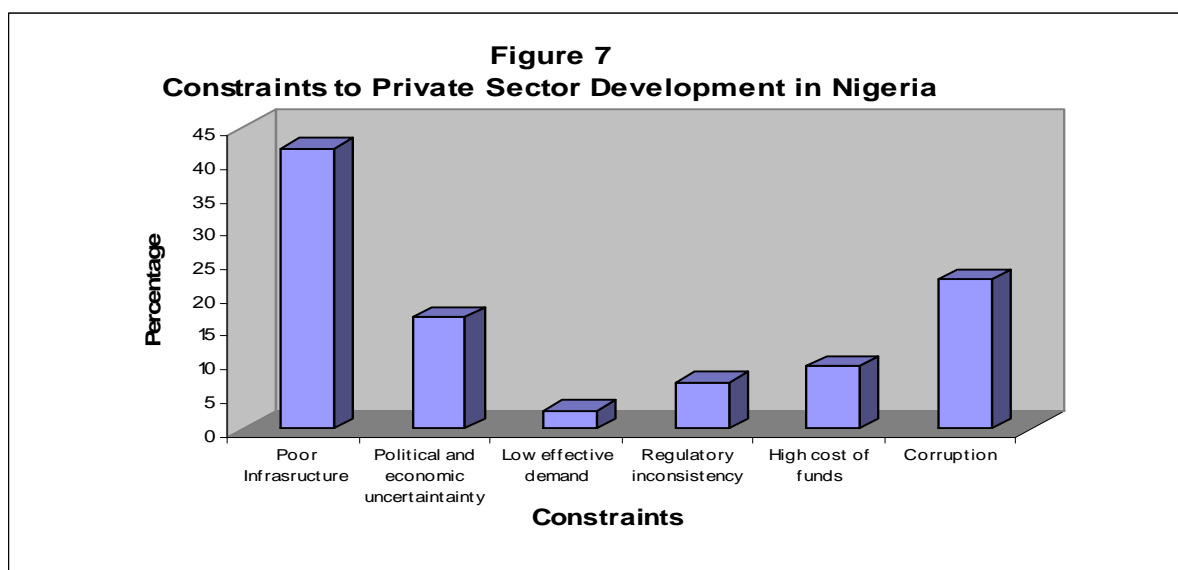
* *Significant at 5 per cent level*

The coefficient of MCU is statistically significant. This implies that an increase in manufacturing capacity utilisation (MCU) will lead to increase in gross domestic product (GDP). In other words, a 100 percent rise in MCU will lead to 15.2 per cent rise in GDP. Surprisingly, the coefficient of credit to the private sector (CRP), although, statistically significant, was negatively signed, contrary to the *a priori* expectation of positive relationship. The result implies that 100 per cent increase in credit to the private sector reduces GDP by 14.6 per cent. While this counter-intuitive result calls for further investigation, it may be justified in Nigeria's case, because, most of the times, the Nigerian economy defies economic solution, compared to that of the developed countries. The

negative relationship also implies that credits to private sector are used for commerce (buying and selling), or diverted to some unproductive ventures, rather than production activities, which would have increased economic growth. . Moreover, the amount of credit to the private sector, as a proportion of the total credit to the economy, is too negligible to contribute positively to economic growth. Therefore, to reverse the trend, the government needs to encourage banks to increase their lending to the private sector, especially small and medium enterprises, in the real sector of the economy for investment in productive activities. This will make the private sector to be responsive and contribute to economic growth. However, there is the need for collaborative effort by the government and the private sector to ensure the development of the real sector of the economy

Constraints to the Growth of Private Sector in Nigeria

This study sought the opinions of the private sector operators and asked them to identify the most problematic factors constraining private sector development in Nigeria. They placed high priority on poor infrastructure, high level of corruption, political and economic instability and high cost of finance as affecting the growth of the private sector (Figure 7). These factors have the tendency of lowering investment and productivity in the private sector.



Inadequate infrastructure, especially electricity, was reported by more than 1 in 3 businesses as contributing to high cost of doing business and high mortality rate of SMEs in the country. This problem has been compounded by high level of corruption and the festering economic and political crises in the country. The high level of corruption and economic instability ranked as second and third most important constraints on the activity of private sector. The high level of corruption, as reported by almost 1 in 5 businesses, has made many firms to fold up prematurely in the country. Utomi in Solanke(2007) noted that the private sector corruption in Nigeria was now beginning to compete with public sector corruption. The World Bank has estimated that as a result of corruption in Nigeria, 80 per cent of energy revenues benefit only one per cent of the population (Wikipedia 2007). It was the attempt to reduce the level of corruption in Nigeria that the government introduced the Independent Corrupt Practices and Other Related Offences Commission (ICPC) and the Economic and Financial Crime Commission (EFCC). Similarly, the high cost of funds ranked fourth as affecting business performance, which has reduced competitiveness of the Nigeria private sector. Finally, the objective of high growth in the private sector may be frustrated by the wave of organised crimes and robbery attacks on banks. In recent times, there have been frequent attacks on many banks by armed robbers, in which many policemen and customers were killed. As Soludo (2008) observes, without security, the aspirations of a private sector-led economy will not be realised.

Conclusion and Policy Implications

The paper has contributed to the growing discourse on the need for the government to fine-tune her financial liberalisation policy to encourage the flow of funds to the private sector, considered critical for the development of the economy. Specifically, the study provides insights into the impacts of financial liberalisation policy on private sector

development in Nigeria. However, poor infrastructure, high level of corruption, political and economic instability and high cost of finance, were found to have constrained the rate of private sector growth in the country.

The various stakeholders in the economy need to collaborate to ensure successful outcome of the policy for the development of the private sector. Specifically, the study has policy implications for the respective stakeholders as follows:

The Government {at all levels}: The government should facilitate the growth of micro, small, medium and large scale industrial enterprises through the reduction of regulatory impediments and implement tax policies that promote small-business growth. This involves creating the required enabling environment for industries to thrive. The government should inject capital into infrastructure for industrial development. The high level corruption which has negatively affected business environment in Nigeria must be tackled by the relevant government anti-corruption agencies.

Private Sector: There is need to adopt value re-orientation approach by the private sector towards banks' borrowing and encourage investment in productive activities of the economy to enhance the performance of the economy, especially in developing countries.

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Appendix 1
List of Consolidated Banks

S/N	Group of merged banks	Members of the Group
1	Access Bank Plc	Marina Bank, Capital Bank International, Access Bank
2	Afribank Plc	Afribank Plc, Afribank International Ltd (Merchant Bankers)
3	Diamond Bank Plc	Diamond Bank, Lion Bank, African International Bank (AIB)
4	EcoBank	EcoBank
5	ETB Plc	Equatorial Trust Bank (ETB), Devcom
6	FCMB Plc	FCMB, Co-operative Development Bank, Nigerian-American Bank, Midas Bank
7	Fidelity Bank Plc	Fidelity Bank, FSB, Manny Bank
8	First Bank Plc	FBN Plc, FBN Merchant Bank, MBC
9	First Inland Bank	IMB, Inland Bank, First Atlantic Bank, NUB
10	Guaranty Trust Plc	GT Bank
11	IBTC-Chartered Bank Plc	Regent, Chartered, IBTC
12	Intercontinental Bank Plc	Global, Equity, Gateway, Intercontinental
13	NIB	Nigerian International Bank
14	Oceanic Bank Plc	Oceanic Bank, Int'l Trust Bank
15	Platinum-Habib Plc	Platinum Bank, Habib Bank
16	Skye Bank Plc	Prudent Bank, Bond Bank, Coop Bank, Reliance Bank, EIB
17	Spring Bank Plc	Guardian Express Bank , Citizens Bank Fountain Trust Bank, Omega Bank, Trans-International Bank, ACB
18	Stanbic Bank Ltd	Stanbic Bank
19	Standard Chartered Bank Ltd	Standard Chartered Bank Ltd
20	Sterling Bank Plc	Magnum Trust Bank, NBM Bank, NAL Bank, INMB, Trust Bank of Africa
21	UBA Plc	STB, UBA, CTB
22	Union Bank Plc	Union Bank, Union Merchant Bank, Universal Trust Bank, Broad Bank
23	Unity Bank Plc	New Africa Bank, Tropical Commercial Bank, Centre-Point Bank, Bank of the North, NNB, First Interstate Bank, Intercity Bank, Societe Bancaire, Pacific Bank
24	Wema Bank Plc	Wema Bank, National Bank
25	Zenith International Bank Plc	Zenith International Bank Plc

Source: Central Bank of Nigeria Annual Report and Statement of Accounts, 31st December, 2005

Appendix 2

Goldman Sachs Projections of the Top 20 Largest Economies of the World by 2025

Country	Position
United States	1st
China	2 nd
Japan	3 rd
Germany	4 th
India	5 th
United Kingdom	6th
France	7 th
Russia	8 th
Korea	9 th
Italy	10 th
Mexico	11 th
Brazil	12 th
Canada	13 th
Indonesia	14 th
Turkey	15 th
Iran	16 th
Vietnam	17 th
Pakistan	18 th
Argentina	19 th
Nigeria	20th

Source: Skyscraper City, 2006