



## INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT AND MANAGEMENT

### CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	RESPONSIBILITY ACCOUNTING IN SMALL AND MEDIUM SCALE INDUSTRIES MANUFACTURING AUTO COMPONENTS <i>ANIRUDDHA THUSE &amp; DR. NEETA BAPORIKAR</i>	1
2.	LIBERALIZED FINANCIAL SYSTEM AND ECONOMIC DEVELOPMENT IN NIGERIA <i>LOWE, OLUSEGUN</i>	6
3.	AN INVESTIGATION ON HIGHER LEARNING STUDENTS SATISFACTION ON FOOD SERVICES AT UNIVERSITY CAFETERIA <i>SARAVANAN RAMAN &amp; SUBHASENI CHINNIH</i>	12
4.	IDENTIFYING AND PRIORITIZING THE MAIN BARRIERS TO KNOWLEDGE MANAGEMENT <i>DR. S. ALI AKBAR AHMADI, MOHAMAD ALI AFSHARI &amp; HAMIDEH SHEKARI</i>	17
5.	PERFORMANCE EVALUATION OF PRIVATE AND PUBLIC SPONSORED MUTUAL FUNDS IN INDIA <i>NOONEY LENIN KUMAR &amp; DR. VANGAPANDU RAMA DEVI</i>	24
6.	TALENT MANAGEMENT PRACTICES IN IT SECTOR <i>DR. K. JANARDHANAM, DR. NIRMALA M. &amp; PRATIMA PANDEY</i>	36
7.	FREQUENT PATTERN MINING USING DYNAMIC PROGRAMMING <i>V. G. RAJALEKSHMI &amp; DR. M. S. SAMUEL</i>	41
8.	PRICE AND LIQUIDITY CHANGES AFTER STOCK SPLITS - EMPIRICAL EVIDENCE FROM INDIAN STOCK MARKET <i>DHANYA ALEX, DR. K. B. PAVITHRAN &amp; EAPEN ROHIT PAUL</i>	45
9.	THE IMPACT OF REVERSE CULTURAL SHOCK AMONG REPATRIATES <i>N. PADMAVATHY &amp; DR. N. THANGAVEL</i>	50
10.	BRAND LOYALTY'S INFLUENCE ON WOMEN'S BUYING BEHAVIOR WITH SPECIAL REFERENCE TO PERSONAL CARE PRODUCTS <i>R. SUNDARI &amp; DR. M. SAKTHIVEL MURUGAN</i>	57
11.	ANALYSIS OF COTTON TEXTILE INDUSTRY IN KARUR DISTRICT, TAMILNADU <i>DR. N. RAJASEKAR &amp; M. GURUSAMY</i>	63
12.	ANALYSING THE TRADING ACTIVITIES OF MUTUAL FUNDS TO IDENTIFY THE TREND OF THE INDIAN STOCK MARKET <i>M. JEEVANANTHAN &amp; DR. K. SIVAKUMAR</i>	69
13.	VIABILITY OF ORGANIC PRODUCTS' BUSINESS AMONG THE NON-ORGANIC PRODUCT CONSUMERS – A DESCRIPTIVE STUDY <i>DR. R. DHANALAKSHMI</i>	75
14.	EMPLOYEES PERCEPTION TOWARDS ENVIRONMENTAL CHALLENGES: AN EMPIRICAL STUDY ON VEDANTA LTD. IN ODISHA <i>DR. B. CHANDRA MOHAN PATNAIK, DR. IPSEETA SATPATHY &amp; DEEPAK KUMAR SINGH</i>	79
15.	CASH CONVERSION CYCLE AND CORPORATE PROFITABILITY – AN EMPIRICAL ENQUIRY IN INDIAN AUTOMOBILE FIRMS <i>DR. A. VIJAYAKUMAR</i>	84
16.	A STUDY ON BEST PRACTICES IN FINANCIAL SERVICES AT A PUBLIC SECTOR COMPANY AT BHOPAL <i>DR. N. SUNDARAM &amp; AJAY KUMAR SHARMA</i>	92
17.	AN EMPIRICAL STUDY OF FIRM STRUCTURE AND PROFITABILITY RELATIONSHIP: THE CASE OF INDIAN AUTOMOBILE FIRMS <i>DR. A. VIJAYAKUMAR</i>	100
18.	PERCEPTION OF BANK EMPLOYEES TOWARDS ADOPTION OF INFORMATION TECHNOLOGY IN PRIVATE SECTOR BANKS OF INDIA <i>BINDIYA TATER, DR. MANISH TANWAR &amp; NAVRATAN BOTHRA</i>	109
19.	KEY SKILLS IDENTIFICATION AND TRAINING NEED ANALYSIS @ SMALL AND MEDIUM RETAILERS IN DELHI AND NCR <i>POOJA MISRA, NEHA JOSHI &amp; RAHUL GOYAL</i>	118
20.	STRATEGIES FOR MERGERS AND ACQUISITIONS – CASE STUDIES OF SELECTED BUSINESS HOUSES <i>DR. PREETI YADAV &amp; DR. JEET SINGH</i>	127
21.	MANAGEMENT OF NPAS IN DCCBS IN INDIA – AN EMPIRICAL ASSESSMENT <i>DR. A. DHARMENDRAN</i>	136
22.	IMPACT OF MOBILE MARKETING ON THE PURCHASE DECISION OF CONSUMERS: A STUDY OF JALANDHAR REGION <i>HARENDRA SINGH, SALEEM ANWAR &amp; SHUJA QAMMER SHAH</i>	141
23.	A STUDY ON LEADERSHIP STYLE AND THEIR IMPACT IN PUBLIC SECTOR – TAMIL NADU <i>N. PRABHA</i>	146
24.	PARAMETERS OF RATING OF INDIAN COMMERCIAL BANKS – A CRITICAL ANALYSIS <i>DR. MUKTA MANI</i>	149
25.	IMPACT OF INTERNET BANKING ON CUSTOMER SATISFACTION: A COMPARATIVE STUDY OF PUBLIC SECTOR BANKS, PRIVATE SECTOR BANKS AND FOREIGN SECTOR BANKS <i>RITU SEHGAL &amp; DR. SONIA CHAWLA</i>	156
	REQUEST FOR FEEDBACK	164

A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at: [Ulrich's Periodicals Directory](#) ©, [ProQuest, U.S.A.](#), [Open J-Gate, India](#) as well as in [Cabell's Directories of Publishing Opportunities, U.S.A.](#)

Circulated all over the world & Google has verified that scholars of more than eighty-one countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

[www.ijrcm.org.in](http://www.ijrcm.org.in)

## CHIEF PATRON

**PROF. K. K. AGGARWAL**

Chancellor, Lingaya's University, Delhi  
Founder Vice-Chancellor, Guru Gobind Singh Indraprastha University, Delhi  
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

## PATRON

**SH. RAM BHAJAN AGGARWAL**

Ex. State Minister for Home & Tourism, Government of Haryana  
Vice-President, Dadri Education Society, Charkhi Dadri  
President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

## CO-ORDINATOR

**AMITA**

Faculty, E.C.C., Safidon, Jind

## ADVISORS

**PROF. M. S. SENAM RAJU**

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

**PROF. M. N. SHARMA**

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

**PROF. S. L. MAHANDRU**

Principal (Retd.), Maharaja Agrasen College, Jagadhri

## EDITOR

**PROF. R. K. SHARMA**

Dean (Academics), Tecnia Institute of Advanced Studies, Delhi

## CO-EDITOR

**DR. BHAVET**

Faculty, M. M. Institute of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

## EDITORIAL ADVISORY BOARD

**DR. AMBIKA ZUTSHI**

Faculty, School of Management & Marketing, Deakin University, Australia

**DR. VIVEK NATRAJAN**

Faculty, Lomar University, U.S.A.

**DR. RAJESH MODI**

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

**PROF. SANJIV MITTAL**

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

**PROF. ANIL K. SAINI**

Chairperson (CRC), Guru Gobind Singh I. P. University, Delhi

**DR. KULBHUSHAN CHANDEL**

Reader, Himachal Pradesh University, Shimla

**DR. TEJINDER SHARMA**

Reader, Kurukshetra University, Kurukshetra

**DR. SAMBHAVNA**

Faculty, I.I.T.M., Delhi

**DR. MOHENDER KUMAR GUPTA**

Associate Professor, P. J. L. N. Government College, Faridabad

**DR. SHIVAKUMAR DEENE**

Asst. Professor, Government F. G. College Chitgappa, Bidar, Karnataka

**MOHITA**

Faculty, Yamuna Institute of Engineering & Technology, Village Gadholi, P. O. Gadholi, Yamunanagar

***ASSOCIATE EDITORS***

**PROF. NAWAB ALI KHAN**

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

**PROF. ABHAY BANSAL**

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

**PROF. A. SURYANARAYANA**

Department of Business Management, Osmania University, Hyderabad

**DR. ASHOK KUMAR**

Head, Department of Electronics, D. A. V. College (Lahore), Ambala City

**DR. JATINDERKUMAR R. SAINI**

Head, Department of Computer Science, S. P. College of Engineering, Visnagar, Mehsana, Gujrat

**DR. V. SELVAM**

Divisional Leader – Commerce SSL, VIT University, Vellore

**DR. PARDEEP AHLAWAT**

Reader, Institute of Management Studies & Research, Maharshi Dayanand University, Rohtak

**S. TABASSUM SULTANA**

Asst. Professor, Department of Business Management, Matrusri Institute of P.G. Studies, Hyderabad

***TECHNICAL ADVISOR***

**AMITA**

Faculty, E.C.C., Safidon, Jind

**MOHITA**

Faculty, Yamuna Institute of Engineering & Technology, Village Gadholi, P. O. Gadholi, Yamunanagar

***FINANCIAL ADVISORS***

**DICKIN GOYAL**

Advocate & Tax Adviser, Panchkula

**NEENA**

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

***LEGAL ADVISORS***

**JITENDER S. CHAHAL**

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

**CHANDER BHUSHAN SHARMA**

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

***SUPERINTENDENT***

**SURENDER KUMAR POONIA**

## CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the area of Computer, Business, Finance, Marketing, Human Resource Management, General Management, Banking, Insurance, Corporate Governance and emerging paradigms in allied subjects like Accounting Education; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Monetary Policy; Portfolio & Security Analysis; Public Policy Economics; Real Estate; Regional Economics; Tax Accounting; Advertising & Promotion Management; Business Education; Business Information Systems (MIS); Business Law, Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labor Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; Public Administration; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism, Hospitality & Leisure; Transportation/Physical Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Digital Logic; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Multimedia; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design. The above mentioned tracks are only indicative, and not exhaustive.

Anybody can submit the soft copy of his/her manuscript **anytime** in M.S. Word format after preparing the same as per our submission guidelines duly available on our website under the heading guidelines for submission, at the email addresses, [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com) or [info@ijrcm.org.in](mailto:info@ijrcm.org.in).

## GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: \_\_\_\_\_

**THE EDITOR**

IJRCM

**Subject:** SUBMISSION OF MANUSCRIPT IN THE AREA OF \_\_\_\_\_.

(e.g. Computer/IT/Finance/Marketing/HRM/General Management/other, please specify).

**DEAR SIR/MADAM**

Please find my submission of manuscript titled ' \_\_\_\_\_ ' for possible publication in your journal.

I hereby affirm that the contents of this manuscript are original. Furthermore it has neither been published elsewhere in any language fully or partly, nor is it under review for publication anywhere.

I affirm that all author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if our/my manuscript is accepted, I/We agree to comply with the formalities as given on the website of journal & you are free to publish our contribution to any of your journals.

**NAME OF CORRESPONDING AUTHOR:**

Designation:

Affiliation with full address & Pin Code:

Residential address with Pin Code:

Mobile Number (s):

Landline Number (s):

E-mail Address:

Alternate E-mail Address:

2. **INTRODUCTION:** Manuscript must be in British English prepared on a standard A4 size paper setting. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of the every page.
3. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.
4. **AUTHOR NAME(S) & AFFILIATIONS:** The author (s) full name, designation, affiliation (s), address, mobile/landline numbers, and email/alternate email address should be in italic & 11-point Calibri Font. It must be centered underneath the title.
5. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para.
6. **KEYWORDS:** Abstract must be followed by list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT:** The main text should be in a 8 point Calibri Font, single spaced and justified.
10. **FIGURES & TABLES:** These should be simple, centered, separately numbered & self explained, and titles must be above the tables/figures. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to from the main text.
11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **REFERENCES:** The list of all references should be alphabetically arranged. It must be single spaced, and at the end of the manuscript. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per following:
  - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
  - Use (ed.) for one editor, and (ed.s) for multiple editors.
  - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
  - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
  - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
  - For titles in a language other than English, provide an English translation in parentheses.
  - The location of endnotes within the text should be indicated by superscript numbers.

**PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:**

**BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio," Ohio State University.

**CONTRIBUTIONS TO BOOKS**

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

**JOURNAL AND OTHER ARTICLES**

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

**CONFERENCE PAPERS**

- Garg Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

**UNPUBLISHED DISSERTATIONS AND THESES**

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

**ONLINE RESOURCES**

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

**WEBSITE**

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Economic and Political Weekly, Viewed on July 05, 2011 <http://epw.in/user/viewabstract.jsp>

## LIBERALIZED FINANCIAL SYSTEM AND ECONOMIC DEVELOPMENT IN NIGERIA

OLWE, OLUSEGUN

LECTURER

DEPARTMENT OF BANKING & FINANCE

COLLEGE OF DEVELOPMENT STUDIES

COVENANT UNIVERSITY

OTA

### ABSTRACT

*For the past twenty years, an enhanced financial sectoral deregulation has been a major economic tool in the agenda of most less developed economies and Nigeria is no exception. The discouraging level of growth with reference to the savings and investment culture of the people and government involvement in these economies has call to question whether financial sector liberalization have an impact on savings and investment in the economy and by extension on the level of growth and development of such economies. This study attempted to take a cursory look at the issue by examining the impact of financial system liberalization on savings and investment and by extension growth and development in Nigeria between 1997 and 2008. Some of the policy recommendations centred on the government creating an enabling environment for private investment to thrive. This will go a long way in helping to promote private investment with significant benefits in the long run for growth and development to the advantage of the citizenry and the economy at large.*

### KEYWORDS

Financial Sector Deregulation, Liberalization.

### INTRODUCTION

Since the mid-1980s, financial liberalization in several African countries has been implemented largely through on-going structural adjustment programmes. As a prerequisite for the financial liberalization programmes, stabilization policies have been designed to ensure macroeconomic stability, low inflation and reduced budget deficits. The focus has been on liberalizing interest rates, deregulation of the financial sector, strengthening the banking system, introduction of new financial instruments, and development of securities markets, in particular the stock market. Stock market is viewed as a medium to encourage savings, help channel savings into productive investment, and to improve the efficiency and productivity of investments, (Ali,1995). The emphasis on the growth of stock markets for domestic resource mobilization has also been strengthened by the need to attract foreign capital in non-debt creating forms.

It is an established fact that financial system played an important role in the economic development of any nation. In this instance the financial services industry denotes an important link between the macro economic policies of a country with the rest of the globe and her basic role in this regard is resource mobilization and resource allocation among the productive sectors of the economy via financial intermediation; funds are attracted from the surplus sectors of the economy and channeled to the deficit sectors of the economy for investment purposes. Whenever any financial system is repressed, domestic capital are usually fragmented with adverse impacts on the quality and quantity of accumulation of real capital. The adoption of financial liberalization under any of these situations has been recommended so as to enhance the level of economic growth and development of less developed economies.

The objectives in this regard via the use of stabilization policies as a prerequisite to financial liberalization programmes had been to liberate interest rates, deregulate financial services sector, strengthen the banking system, introduce new financial products and develop the securities market. Adverse economic challenges that faced the Nigerian economy between the tail end of 1985 and 1986 led to the introduction of the Structural Adjustment Programme (SAP) and one of its major strategies was the adoption of appropriate pricing policies in all sectors with greater reliance on market forces and reduction in complex administrative controls. The deregulation of the financial market therefore led to an enabled market forces in determination of credit costs within the economy. This attracted a number of significant changes in the rules and regulations governing financial operations and these includes;

- Relaxation of controls on interest rates and also on conditions of granting banking licence.
- Abolition of credit ceilings and guidelines
- Complete deregulation of money and capital markets

In the light of the above, and according to the Central Bank of Nigeria Annual Report (various years) this resulted in a tremendous increase in the number of new entrants into the banking industry rising by over 100% from 58 banks in 1985 to 189 in 2004 prior to banking consolidation exercise which reduced the number of banks further to 24 banks. The banks' branches also rose from 1,288 in 1985 to 2,489 in 1993, thus bringing the kilometer per square of 689.4 in 1986 to 356.75 in 1993. The money and capital markets were also affected in one form or the other by the programme and a major development in the money market was the introduction of auction-based system in 1989 on Federal Treasury Bills and Treasury Certificates issuance.

With the post-consolidation situation, the universal banking model is being reviewed and this will definitely portray Nigeria as a country with policy inconsistency since the current policy is less than five years in operation and we are reverting back to the previous order. It is worthy of note that the current move could be of strong similarity with other less developed economies like Nigeria. In the light of current developments, Nigerian banks are to be categorized into national banks (N25 billion for banks operating in Nigeria only and N100 billion for banks with operations outside Nigeria) and regional banks (N15 billion minimum capital requirement and must have the word "Regional" in its name) (CBN, 2010)<sup>2</sup>.

The major aim of financial liberalization is an enhanced economic performance via improved level of competitiveness with a robust efficiency posture within financial markets and with accrued benefits indirectly flowing to the coffers of non-financial sectors of the Nigerian economy. Since the application of the prescribed financial liberation, the Nigerian economy has not been able to experience impressive performances such as an enviable attraction of foreign investment or to checkmate capital flight.

The study is intended to critically assess the impacts of liberalization of the financial system on savings and investment and by extension on growth and development in the Nigerian economy over the period of 11 years between covering 1997 and 2008. Emphasis will therefore centre on the macroeconomic indicators of gross domestic product, inflation rates, and savings as well as investment variables in the economy.

The objectives of the study are:

1. To examine the nature and challenges of the financial systems.
2. To analyse and assess the concept of financial liberalization in the content and context of legal and institutional framework.

The study will proffer probable policy recommendations on the identified flaws in the financial system liberalization for the benefit of the economy. This will lead to an enhanced standard of living and by extension the desired economic growth and development will become achievable.

The study will also reveal how effective the various reforms in the financial services sector have been and thereby illuminate on areas requiring effective controls. The remaining part of the study is structured as follows: next is the literature review, followed by the theoretical framework. Methodology and analysis are in section IV. Discussion of findings, recommendations and conclusion is in the last section.

## REVIEW OF RELEVANT LITERATURE

Financial liberalization in Nigeria commenced as an effort towards participation in the globalization of the world economies. The United Nations via International Monetary Fund (IMF) tends to achieve a union in the world economy and therefore launched a programme aimed at achieving a turn-around on the economic situation faced by many of the less developed economies. The programme was named Structural Adjustment Programme (SAP). Several objectives expected of the programme to be achieved include the following according to Central Bank of Nigeria (CBN, 2004)<sup>3</sup>.

- Market liberalization to promote efficient resource allocation
- Expansion of savings mobilization base
- Promotion of investment and growth through market-based interest rates
- Foster healthy competition in the provision of services
- Laying the basis for inflation control and economic growth

Most developing countries liberalized their financial sector in an attempt to integrate globally by removing government interventions and restrictions. The reason behind the shift to financial liberalization is based purely on a straightforward implication of the following economic principles: financial markets allow proper allocation of savings to productive investments which accelerates economic growth. Generally, nations' wish to have a smooth consumption pattern over time and in the course of achieving this, financial liberalization allows them a smoother consumption pattern via international risk sharing.

They are less constrained by domestic endowments due to their ability to borrow from global financial markets by avoiding substantial falls in national consumption in case of dramatic decrease in output. Soyibo (1994)<sup>4</sup> observes that the reforms in Nigeria were carried out under conditions of severe macroeconomic imbalances and instability in the financial system. Financial systems liberalization came into being because it is believed that a well functioning system provides adequate support for economic development while its poor functioning causes more problems for development.

## FINANCIAL LIBERALIZATION

The basic programme of financial liberalization contains two main components:

1. Removal of ceilings on interest rates to allow for market determined ones.
2. Reduction in quantitative controls to allow financial intermediaries greater control over the use of their liabilities. (Levine, 1996)<sup>5</sup>.

Financial restructuring of the banking sector constitutes other aspects of financial sector reforms. These include the following as enunciated by World Bank, (1989)<sup>6</sup> report:

1. Causes of bank insolvency and restructuring or closing down of insolvent firms.
2. Improved management of banks.
3. Increased competition in the banking sector as well as the development of a more diverse range of financial institutions such as insurance and pension firms, development finance institutions et cetera.
4. Removal of entry barriers to private sector financial institutions.
5. Improved legal controls and powers that are of benefit to lenders.
6. Improved government supervision.
7. Reduction of taxation either directly or indirectly via large reserve requirements.
8. Development of money and capital markets.

## LEGAL AND INSTITUTIONAL FRAMEWORK FOR FINANCIAL LIBERALIZATION

### A. LEGAL FRAMEWORK

Liberalized financial systems cannot be effective without sound legal and institutional framework. Evolutionary and proactive strategies are possible approaches to financial system development, (Obstfeld and Taylor, 2004)<sup>7</sup>. In the evolutionary strategy, financial markets are allowed to develop gradually with the economy.

As major distortions or bottlenecks emerge, government intervenes through improvements or changes in laws or regulations. In this strategy, financial deepening and financial system development are basically market driven within an adaptable legal, regulatory and prudential framework. Sander and Kleimeier (2006)<sup>8</sup> see this as the appropriate strategy for African and other developing countries for three main reasons:

- Inadequate neutral incentive environment and market forces that is insufficiently strong for financial markets to develop by themselves.
- Lack of institution-building capacity to determine the pace and strength of financial markets development.
- Need for flexibility to allow for the use of the most efficient institutional set-up, required training infrastructure and choice of technology that is most suited to the local conditions and level of development.

The proactive approach suggested by Sander and Kleimeier seem to agree with the views of the World Bank (1989)<sup>9</sup>, which sees the legal and institutional framework of most developing countries as inadequate to support modern financial processes.

### B. INSTITUTIONAL FRAMEWORK

The legal, regulatory and prudential framework discussed in the preceding section is essential for fostering financial market functions and promoting and anchoring its institutional framework. The ultimate function of financial markets, as earlier indicated, is to mobilize and allocate resources through financial intermediation in order to accelerate the process of economic growth. The function is performed through two distinct but interrelated components (the money and capital markets). The money market and the capital market are inter-related. First, the development of the money market usually precedes capital market development. Second, the same institutions may operate actively in both markets. Hence, the money market serves as a source of liquidity for the long-term investment needs of operators in the capital market. Bloch and Tang (2003)<sup>10</sup> has argued that in order to develop and achieve the objective of supporting economic growth, the capital market requires environment in which government policies are generally favourable to economic growth. In such environment, resources are allocated in accordance with market forces rather than government directives. During the period 1970–1985, Nigeria's financial sector was characterized by financial repression, macroeconomic imbalances and instability (Soyibo 1994)<sup>11</sup>.

Prior to 1970, banking regulations were largely prudential, aimed mainly at ensuring sound banking practices and protection. From the early 1970s, the aims remained broadly the same as in the previous years, but the control instruments became rather restrictive. The system was so regulated that by the mid-1970s, the Central Bank could stipulate what loans and advances each commercial bank should make to each of the sixteen different priority sectors of the economy, as well as maximum interest ceilings for agricultural and other priority areas (King and Levine, 1993)<sup>12</sup>. Government controlled 60 percent of commercial bank share capital while the Central Bank controlled 33 percent of the financial assets. Prior to the implementation of financial liberalization, government took no serious measures to establish appropriate legal framework under which the financial system would operate. No appropriate safety nets were established to safeguard against liquidity crises and no adequate regulatory and monitoring framework to prevent collusion and excessive risk-taking was put in place.

## FINANCIAL LIBERALIZATION AND THE INFORMAL SECTOR

Financial liberalization acts directly on the formal sector financial system, through the removal of interest rate and other controls. As noted, however, the majority of small scale borrowers, particularly women, gain access to financial services through the informal sector.

For this reason, it is important to look at the indirect effects of financial liberalization on the informal sector, to see how the provision of, access to and use of financial services by women relative to men might change under liberalization. Few studies to date focus on the impact of liberalization on the informal financial

sector. In terms of predictions, this depends to some extent on the view taken regarding dualism. There are competing views as to why Less Developed Countries (LDC) financial markets are characterized by segmentation, fragmentation, or dualism and thus about the nature of relations between the different segments and how these are likely to evolve (Nielsen et al, 2005)<sup>13</sup>.

The theory of financial repression sees the development of informal sector finance as linked to distortions in financial markets caused by government controls, leading to the creation of parallel markets, to serve those crowded out of regulated markets by rationing. In this view, the informal sector should recede in favour of the formal sector, with interest rates converging, as liberalization proceeds. Savings will increase and move into the formal sector as interest rates rise, increasing the funds available for loan and investment. Informal sector operators may move into the formal sector as entry barriers, controls and taxes on the formal sector are removed or reduced.

An alternative view is that problems of imperfect information are the main cause of market segmentation and fragmentation, i.e. that high information and transactions costs lead to market failure and lack of institutional development (Nielsen et al, 2005)<sup>14</sup>. In this view, credit rationing persists even with liberalization, so that the need for the informal sector persists, or possibly expands, as demand for financial services grows under adjustment. To a large extent, the effects will depend on the degree of market integration prior to liberalization. They find little evidence of market integration between formal and informal sectors in four Sub-Sahara African countries including Nigeria. Some informal intermediaries place deposits with banks, mainly for security, since these are short-term and rarely interest bearing. Formal financial institutions are reluctant to lend to informal operators who on-lend.

## THEORETICAL FRAMEWORK

Most developing economies implemented financial reforms as part of a larger market-oriented reforms since 1980s and in the light of this, several versions of the financial liberalization hypothesis exists (Aziakpono, 1999)<sup>15</sup>, but the one mostly adopted particularly by less developed economies is the orthodox approach of McKinnon and Shaw. The orthodox approach in this instance suggests that financial liberalization increases both savings and investments and thus leads to enhance and efficient investment as posited by Shaw (1973)<sup>16</sup>.

With the elimination of controls on interest rates, credit ceilings and direct credit allocation, financial liberalization is expected to lead to the establishment of positive interest rates on deposit loans. In such instance, it makes both savers and investors appreciate the scarcity of capital, leading to a reduced dispersion in profit rates amongst varying economic sectors, improved allocative efficiency and higher output growth, (Villanueva and Mirakhor, 1990)<sup>17</sup>. Though the financial liberalization theory places more emphasis on the desirable effects of raising interest towards equilibrium, it also postulates that the effect of a change in interest rate depends on whether the actual interest rate is below or above equilibrium. If below the equilibrium, investment is constrained by savings. An increase in the interest rate towards equilibrium will increase savings and investment. Therefore as long as the equilibrium interest rate is not reached, investment is positively related to the interest rate. Beyond the equilibrium however, increase in interest rate will have a negative effect on investment as the economy moves along the negatively-sloped investment demand curve, (Gourinchas and Jeanne, 2003)<sup>18</sup>.

Against this backdrop which is based on the classical notions and beliefs, we have the Keynesian framework which believes that savings is positively related to income and investment is negatively related to the price of credit on which interest rate stands as a proxy. However, the proponents of this view concede that the interest rate might also have a positive effect on investment via the provision of credit.

This implies that as financial savings and the rate of interest are positively related, interest rate may also have a positive effect on investment through the process of financial deepening as well as the provision of credit to the private sector while it could be negative since an upward swing in the price of credit adjusted for inflation is expected to discourage investment spending in the economy. The net effect of interest rate on investment therefore will depend on the relative strength of its negative effect through the cost of investment and its positive effect through the provision of credit, (Eatwell, 1997)<sup>19</sup>.

The Harrod-Domar Growth Model on the other hand posits that every economy must save a certain proportion of its national income if only to replace worn-out or impaired capital goods. However and in order to grow, new investments representing net additions to the capital stock are very necessary, (Esen, 2000)<sup>20</sup>. Therefore the variables that could stimulate the rate of savings in an economy apart from income, as well as how savings and capital formation (investment) could generate the required level of growth and by extension economic development in the developing economies like Nigeria become imperative as reflected in the formula below. It implies income (Y) as a function of the stated variables:

$$Y = f(S, GCF, NBB, INF)$$

Where

Y = Income or GDP

S = Savings

GCF = Gross Capital Formation or Investment

NBB= Number of Bank Branches

INF = Inflation

## DESCRIPTION OF VARIABLES

**GROSS DOMESTIC PRODUCT (GDP)** data at current market prices. This is the Gross Domestic Product at current factor cost plus indirect taxes net of subsidies. It is the GDP valued at the market prices which purchasers pay for the goods and services they acquire or use.

**AGGREGATE SAVINGS (S)** is the part of the national income that would not be spent on consumer goods. Klein (2005)<sup>21</sup> defined savings as "abstinence from consumption, an exchange of present income against an equal amount of income in the future or against the security accompanying a store of wealth". In this instance, savings is not hoarding since it involves the productive use of funds not spent on present consumption.

**GROSS CAPITAL FORMATION (GCF)** This is also known as Gross Domestic Investment and it connotes the total change in the value of fixed assets plus changes in stocks.

**NUMBER OF BANK BRANCHES (NBB)** is the total number of branches per bank operating in the country at a particular period of time.

**INFLATION (INF)** is a deceleration of economic growth and a massive disequilibrium of international payments.

## HYPOTHESIS OF THE STUDY

The following hypothesis is formulated in order to find answer to the problem of the study as stated above:

Ho: There is no significant difference on the impact of liberalized financial system on savings, investment, growth and development.

## METHODOLOGY

The sources of relevant data utilized for this empirical work were collected from economic journals, internet sources, Central Bank of Nigeria Statistical Bulletins and Annual Reports, World Bank Reports, United Nations Development Programme (UNDP) Annual reports and other relevant periodicals. This study adopted the One-way Anova method of data analysis using Microsoft Excel Analytical tool to justify the study so as to be able to capture the impact of the study on the economy.



## DATA ANALYSIS AND RESULTS

TABLE: RELEVANT DATA ON THE REQUIRED VARIABLES OF STUDY

YEAR	GDP	SAVINGS	GCF	NBB	INFLATION
1997	2,801,973	177,648	205,553	2,551	10.67
1998	2,708,430	200,065	192,984	2,298	7.86
1999	3,194,015	277,667	175,736	2,298	6.62
2000	4,512,127	385,191	268,895	2,444	6.94
2001	4,725,086	488,045	371,898	2,994	18.87
2002	6,912,381	592,094	438,115	3,018	12.89
2003	8,487,031	655,739	429,230	3,247	14.03
2004	11,411,067	797,517	456,970	3,492	15.01
2005	14,572,239	1,316,957	*804,400	3,492	17.85
2006	18,564,595	N/A	*1,546,525	3,004	8.24
2007	20,657,251	2,693,554	*1,917,000	3,897	5.38
2008	23,842,126	4,118,172	*2,283,050	3,897	11.60

Source: National Bureau of Statistics; \* United Nations Statistics; CBN

## TEST OF HYPOTHESIS

## ANOVA

## SUMMARY

Groups	Count	Sum	Average	Variance
Column 1	12	1.22E+08	10199027	5.65E+13
Column 2	12	11702649	975220.8	1.5E+12
Column 3	12	9090356	757529.7	5.41E+11
Column 4	12	36632	3052.667	328890.1
Column 5	12	135.96	11.33	20.14402

## ANOVA

Source of Variation	SS	Df	MS	F	P-value	F crit
Between Groups	9.25E+14	4	2.31E+14	19.72899	4.05E-10	2.539689
Within Groups	6.44E+14	55	1.17E+13			
Total	1.57E+15	59				

## ANALYSIS OF RESULTS

From the above analysis the F-ratio of 19.7 is greater than the F-critical value of 2.53. The null hypothesis is rejected. We conclude that there is significant difference on the impact of liberalized financial system on savings, investment, growth and development in Nigeria.

## DISCUSSION OF FINDINGS AND RECOMMENDATIONS

Based on the outcome of the study the following recommendations were of relevance:

1. Financial liberalization should be well coordinated with policies that encourages growth and stability of the economy and thus enhances credit worthiness of borrowers via prudent economic policies of great importance to achieve desired success.
2. Financial liberalization as it were stimulates investment better than it will stimulate national aggregate savings and the implication is that foreign borrowing will increase. In this instance, capital inflows require stringent regulations most importantly short term capital inflows to ensuring that activities of export industries are not in any way disrupted. However, it must be noted that capital inflow could not be objected to if such do not result to a foreign debt problem.
3. The government should focus more on the creation of conducive atmosphere that will make private investment interesting and attractive. Such conditions could include but not limited to stable macroeconomic environment, provision of adequate property rights such as adequate access to credit, imported inputs by investors, stable and reliable energy supply, good and decent road network, improved telecommunication services as well as the provision of adequate and consistent security.
4. Financial liberalization policies should promote private investment with significant benefits for long term level of growth and improved standard of living.
5. Enhanced growth and development becomes achievable where financial institutions channel available funds to the productive sectors of the economy like the industrial sector and not for consumption purposes that violates the economy. The effect of this is being felt via the global financial crisis due to the poor quality of credit granted courtesy of the sub-prime credit saga in the United States of America.

## CONCLUSION

The main objective of this study is to determine the impact of financial system liberalization on savings, investment and growth in the Nigerian economy. The study focuses on the provision of evidences from the economy with regards to the performances of the Nigerian financial system on the liberalization exercise. A major aspect of the reform has to do with the financial sector restructure as well as the liberalization of the regulations concerning financial institutions and markets. In this study an improvement in financial intermediation was considered as a necessary ingredient for stimulating investment, improving capacity building and fostering economic growth and development. The McKinnon and Shaw hypothesis on financial liberalization was adopted because of its relevance to developing economies like Nigeria. The basis of the hypothesis is that financial markets in developing economies are somehow fragmented and in that instance, the repressed nature of the financial systems in these economies tends to vitiate on the efficient allocation of resources which eventually leads to poor investment quality.

## NOTES

- <sup>1</sup> Ali, A.G.A. 1995. The Challenge of Poverty Alleviation in Sub-Sahara Africa. A Paper Presented at the XI World Congress of the International Economic Association in Tunis, December 18–22.
- <sup>2</sup> Central Bank of Nigeria (CBN), 2010. Review of Universal Banking Model. www.cenbank.org (accessed on 24<sup>th</sup> April, 2010).
- <sup>3</sup> Central Bank of Nigeria (CBN), 2004. Statistical Bulletin.
- <sup>4</sup> Soyibo, A. 1994. Conceptual and Theoretical issues in the Study of Informal Finance", pp. 82-94 in E.U. Olisadebi and Ajakaiye Olu.(eds.), Conceptual and Methodological Framework for Informal Sector Research in Nigeria, Ibadan: New World Press *Statistics*, Vol. 52, (May), pp. 169 – 210.
- <sup>5</sup> Levine, R. (1996). Foreign Banks, Financial Development and Economic Growth. *International Financial Markets: Harmonization versus Competition*, pp. 224-54, Washington D.C.: AEI Press.

6. World Bank, 1989. *Private Capital Flows to Developing Countries: The Road to Financial Integration*. New York: Oxford University Press.
7. Obstfeld, M. and Taylor, A. M. 2004. *Global Capital Markets: Integration, Crisis, and Growth*. New York: Cambridge University Press
8. Sander, H. and S. Kleimeier, 2006. "Interest Rate Pass-Through in the Common Monetary Area of the SACU Countries", *South African Journal of Economics*, Vol. 74, No. 2. pp. 215- 229.
9. World Bank, 1989. Op. Cit.
10. Bloch, H. and S. H. K. Tang, 2003. The Role of Financial Development in Economic Growth," *Progress in Development Studies*, Vol. 3, No. 3, pp. 243-251.
11. Soyibo, A. 1994. Op. cit.
12. King, R. G, and R. Levine, 1993. Financial Intermediation and Economic Development", in Mayer, C. and Vives, X. (Eds), *Capital Markets and Financial Intermediation*, London: Center for Economic Policy Research
13. Nielsen, H., Uanguta, E. and S. Ikhide, 2005. Financial Integration in the Common Monetary Area , *South African Journal of Economics*, Vol. 73, No. 4, December, pp. 710-721.
14. Nielsen, H., Uanguta, E. and S. Ikhide, 2005. Op. Cit
15. Aziakpono, J. M. 1999. Effects of Financial Integration on Financial Development and Economic Performance of the SACU Countries World Bank (1997) *Private Capital Flows to Developing Countries: The Road to Financial Integration*. New York: Oxford University Press.
16. Shaw, E., 1973. *Financial Deepening on Economic Development*, New York, Oxford University Press.
17. Villanueva D. and A. Mirakhor, 1990. Strategies for Financial Reforms. *IMF Staff Papers*, Vol. 37, No. 3, pp. 509-536.
18. Gourinchas, P. and O. Jeanne, (2003). The Elusive Gains from International Financial Integration, *Working Paper Series No 9684*, National Bureau of Economic Research.
19. Eatwell, J. (1997). "International Financial Liberalization: The Impact on World Development". Discussion Paper Series 12. New York: United Nations Development Programme.
20. Esen, O. 2000. Financial Openness in Turkey, *International Review of Applied Economics*, Vol. 14, No. 1. pp. 5-23.
21. Klein, M. W. 2005. Capital Account Liberalization, Institutional Quality and Economic Growth: Theory and Evidence. *Working Paper Series No 11112*, National Bureau of Economic Research

## REFERENCES

- African Development Bank (2000). *African Development Report 2000*, New York: Oxford University Press
- Agenor, P. R. (2003). Benefits and Costs of International Financial Integration: Theory and Facts. *The World Economy*, Vol. 26, No. 8, (August), pp. 1089-1118.
- Aryeetey, E. and Hyuha, M. (1991). The Informal Financial Sector and Markets in Africa: An Empirical Study. In A.I. Chhibber and S. Fischer, (eds.) *Economic Reform in Sub-Saharan Africa*. Washington D.C.
- Barassi, M. R, Caporale, G. M. and S. G. Hall, (2000). Interest Rates Linkages: Identifying Structural Relations. *Discussion Paper No. 2000.02*.
- Bayoumi, T. and R .MacDonald, (1995). Consumption, Income, and International Capital Market Integration, *Staff Papers, IMF*, Vol. 42, No. 3, (September), pp.552-76.
- Beck, T., Levine,R. and N. Loayza, (1999). Finance and the Sources of Growth. *World Bank Policy Review Working Paper no. 2057*. Washington D.C.: World Bank.
- Bhagwati, J. (1998). The Capital Myth: The Difference between Trade in Widgets and Dollars. *Foreign Affairs*, Volume 77, No. 3, pp. 7-12.
- Boulila, G. and Trabelsi, M. (2003). The Causality Issue in the Finance and Growth Nexus: Empirical Evidence from MENA Countries. Brookings Institute. cointegration analysis
- Central Bank of Nigeria (2008). Statistical Bulletin. Golden Jubilee Edition. December, 2008.
- Demirguc-Kunt, A and R. Levine, (1996a). "Stock Markets, Corporate Finance and Economic Growth: An Overview", *World Bank Economic Review*, Vol. 10. No. 2, pp. 223-39.
- Edison, H., R. Levine, L. Ricci, and T. Slok, (2002). International Financial Integration and Economic Growth. *Journal of International Money and Finance*, Vol. 21, pp. 749-776.
- Edwards, S. (2001). Capital Mobility and Economic Performance: Are Emerging Economies Different? *Working Paper Series No. 8076*. National Bureau of Economic Research.
- Eichengreen, B and D. Leblang, (2003). Capital account liberalization and growth: Was Mr. Mahathir Right? *International Journal of Finance and Economics*, Vol. 8, pp. 205-224.
- Elliott, G., Rothenberg, T. G. and J. H. Stock, (1996). Efficient Tests for an Autoregressive Unit Root, *Econometrica*, 64, pp. 813-836.
- Fry, M. (1988). *Money, Interest and Banking in Economic Development*. Johns Hopkins University Press, Baltimore.
- Giannetti, M., Guiso, L. Jappelli, T. Padula, M. and M. Pagano, (2002). Financial Market Integration, Corporate Financing and Economic Growth. European Commission
- Goldsmith, R. W. (1969). *Financial Structure and Development*. Yale University Press, New Haven.
- Grandes, M. (2003). Macroeconomic Convergence in Southern Africa: The Rand Zone
- Grilli, V. and Milesi-Ferretti, G. M. (1995). Economic Effects and Structural Determinants of Capital Controls", *Staff Papers, International Monetary Funds*, Vol. 42 (September), pp. 517-51.
- Guiso, L., Sapienza, P. and L. Zingales, (2002). Does Local Financial Development Matters? , *Working Paper Series No 8922*, National Bureau of Economic Research (February).
- Hakkio, C. S. and Rush, M. (1991). Cointegration: How Short is the Long-run? *Journal of International Money and Finance*. Vol. 10. pp 571-581.
- Hall, S.G. and Milne, A. (1994). The Relevance of P-star Analysis to UK Monetary Policy. *The Economic Journal*, Vol. 104, pp. 597-604.
- Hall, S.G. and Wickens, M. (1993). Causality in Integrated Systems , *Discussion Paper No. DP27-93*, Centre for Economic Forecasting, London Business School.
- Harris, R. J. D. (1995) *Using Cointegration Analysis in Econometric Modeling*, London: Prentice Hall/Harvester Wheatsheaf.
- Haug, A. MacKinnon, A and L. Michelis, (2000). European Monetary Union Intermediaries: A Stylised Facts, *World Bank Economic Review*, Vol. 10, No. 2.
- Held, D., A. McGrew, . Goldblatt, J.G .D. and J. Perraton, (1999) *Global Transformations: Politics, Economics, Culture*. UK: Polity Press.
- Johansen, S. (1988). Statistical Analysis of Cointegrating Vectors , *Journal of Economic*
- Johansen, S. (1992). "Testing Weak Exogeneity and the Order of Cointegration in UK Money Demand data" *Journal of Policy Modeling*, Vol. 14, No.3, pp. 313-334.
- Hussein, K.A. and Thirlwall, A.P. (1999). Explaining Differences in the Savings Ratio across Countries: A Panel Data Study, *The Journal of Development Studies*, October.
- Karfakis, C. J. and Moschos, D.M. (1990). Interest Rate Linkages within the European Monetary System: A Time Series Analysis. *Journal of Money, Credit and Banking*, Vol. 22, No. 3, pp. 388-394.
- Keynes, K. M. (1923), *A Tract on Monetary Reform* (London: Macmillan).
- Klein, M. W. and Olivei, G. (1999). Capital Account Liberalization, Financial Depth and Economic Growth , *Working Paper Series No 7384*, National Bureau of Economic Research (October).
- Lane, P. R. and Milesi-Ferretti, G. M. (2003). International financial integration. *Working Paper WP/03/86*, Washington D.C.: International Monetary Fund.

- Lee, K-K and Jayadev, A. (2005). The effects of capital account liberalization on growth and the labour share of income: reviewing and extending the cross-country evidence in Epstein, G. (ed.).
- Levine, R. (1998). The Legal Environment, Banks, and Long-Run Economic Growth, *Journal of Money, Credit, and Banking*, Vol. 30, No. 3, (August), pp. 596-613.
- Levine, R. and Renelt, D. (1992). Sensitivity Analysis of Cross-country Growth Regression". *American Economic Review*, Vol. 82, pp. 942-963.
- Levine, R. and Zervos, S. (1998). Stock Markets, Banks, and Economic Growth," *American Economic Review*, June, Vol.88, No. 3, pp. 537-58.
- Levine, R., Loayza, N. and T. Beck (2000). Financial Intermediation and Economic Growth: Causality and Causes", *Journal of Monetary Economics*, Vol. 46, pp. 31-77.
- Matthew, A.O and O. Olowe (2009). The Impact of Liberalized Financial System on Savings, Investment and Growth in Nigeria. (Unpublished)
- McKinnon, R., (1973). *Money and Capital in Economic Development*. Washington D.C., Brookings Institution.
- Montiel, P. and Reinhart, C. (1999). Do Capital Controls and Macroeconomic Policies influence the Volume and Composition of Capital Flows? Evidence from the 1990s. *Journal of International Money and Finance*, Vol. 18, No. 4. pp. 619-35.
- Mwega, F.M. (1995). Private Saving Behaviour in Less Developed Countries and Beyond: Is Sub-Saharan Africa Different? Paper Presented at the XI World Congress of the International Economic Association in Tunis on 18–22 December.
- Obstfeld, M. (1998). The Global Capital Market: Benefactor or Menace?, *Journal of Economic Perspectives*, Vol. 12, (Fall), pp. 9-30.
- Ojo, J.A.T., and P.O. Alege., (2009). Global Financial and Macroeconomic Fluctuations – Implications for African Economic Development. A Paper Presentation at the 6<sup>th</sup> African Finance Journal Conference, Cape Town, South Africa.
- Olowe, O. (2009). Ethics and Problems of Fortune and Misfortune in the Nigerian Stock Exchange. *Nigerian Sociological Review*. Vol. 4 Nos. 1 & 2. pp: 307-328.
- Oshikoya T. W., (1992). "Interest Rate Liberalization, Savings, Investment and Growth: The Case of Kenya." *Savings and Development*, Vol. 26, No. 3, pp. 30520, 1992.
- Phylaktis, K. (1999). Capital Market Integration in the Pacific Basin Region: An Impulse Response Analysis. *Journal of International Money and Finance*, Vol. 18, pp. 267-287.
- Prasad, A., Rogoff, K., Wei, S. and M.A. Kose (2004). Financial Globalization, Growth and Volatility in Developing Countries", *Working Paper Series no 10942*, National Bureau of Economic Research (December).
- Prasad, E., Rogoff, K., Wei, S. and M.A. Kose, (2003). Effects of Financial Globalization on Developing Countries: Some Empirical Evidence. IMF paper.
- Quinn, D. P. (1997). The Correlates of Change in International Financial Regulation. *American Political Science Review*, Vol. 91(September), pp. 531-51
- R. Harrod (1939). An Essay in Dynamic Theory, *Economic Journal*, March.
- Rapach, D. E. and Weber, C. E. (2004). Are real interest rates really non-stationary? *New*
- Reisen, H. and Soto, M. (2001). Which type of Capital Inflows Foster. Developing Country Growth, *Journal of International Finance*, Vol. 4, No. 1, p. 1-14.
- Rodrik, D. (1998). Who needs capital-account convertibility? In Stanley Fisher, et al. *Should the IMF pursue capital-account convertibility?* Princeton Essays in International Finance 207, Princeton: Princeton University.
- Rodrik, D. (1999). The New Global Economy and Developing Countries: Making Openness Work, *Overseas Development Council, Policy Essay No 24*, Washington, D.C. distributed by the John Hopkins University Press, Baltimore, Maryland.
- Rogoff, K. (2002). "Rethinking capital controls: when should we keep an open mind?" *Finance and Development*, Vol. 39, No. 4, (December), pp. 55-56.
- Schmukler, S. L. and Zoido-Lobaton, P. (2001). "Financial Globalization: Opportunities and challenges for Developing countries" World Bank Paper.
- Seddighi H. R., Lawler K. A. and Katos, V. A. (2000). *Econometrics: A Practical Approach*, London and New York: Routledge.
- Soyibo A., (1994). "Financial Liberalization and Bank Restructuring in Sub-Saharan Africa: Some Lessons for Sequencing and Policy Design." Paper Presented at an AERC Plenary, December.
- Stock, J. H. (1987). "Asymptotic Properties of Least Squares Estimators of Cointegrating Vectors", *Econometrica*, Vol. 55, pp. 1035-1056.
- Thirlwall, A.P. (2003). *Growth and Development: with Special Reference to Developing*
- U. Tun Wai (1972). *Financial Intermediaries and National Savings in Developing Countries* (New York: Praeger).
- Van Wincoop, E. (1999). "How Big are Potential Welfare Gains from International Risk Sharing", *Journal of International Economics*, Vol. 47, pp. 109-135
- Von Furstenberg, G. M. (1998). "From worldwide capital mobility to international financial integration: a review essay", *Open Economies Review*, Vol. 9, pp. 53-84. *Working paper series no 9500*, National Bureau of Economic Research (February).

## **REQUEST FOR FEEDBACK**

**Dear Readers**

At the very outset, International Journal of Research in Commerce, IT and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mails i.e. **infoijrcm@gmail.com** or **info@ijrcm.org.in** for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail **infoijrcm@gmail.com**.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

**Academically yours**

Sd/-

**Co-ordinator**